



**ANNUAL BUDGET**  
**OF**  
**UPHONGOLO MUNICIPALITY**  
**2016/17 TO 2018/19**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FRAMEWORK**

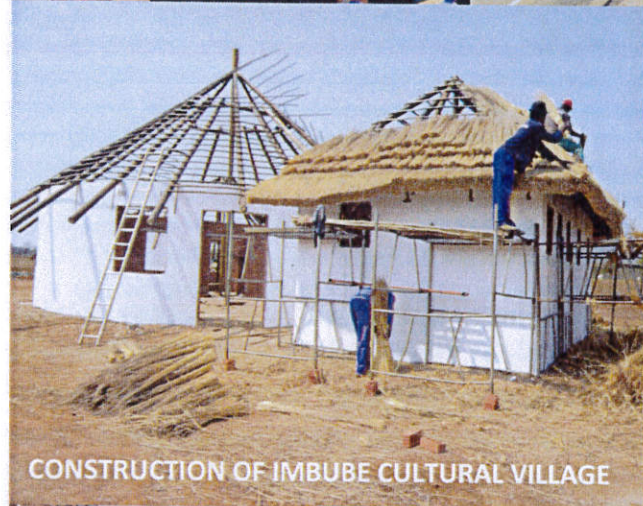




SOD TURNING CEREMONY

NCOTSHANE MAIN ROAD- PHASE III

TAKE GIRL CHILD TO WORK



CONSTRUCTION OF IMBUBE CULTURAL VILLAGE

DISABILITY DAY

CONSTRUCTION OF GRAVEL ROAD



HERITAGE DAY CELEBRATION

ELECTRIFICATION PROJECT

SOLID WASTE MANAGEMENT



MAYORAL CUP GAMES

COMMUNITY SEWING PROJECT

MEC FOR COGTA VISIT



BRICK MAKING PROJECT

FLEA MARKET DAY

TOURISM EVENT

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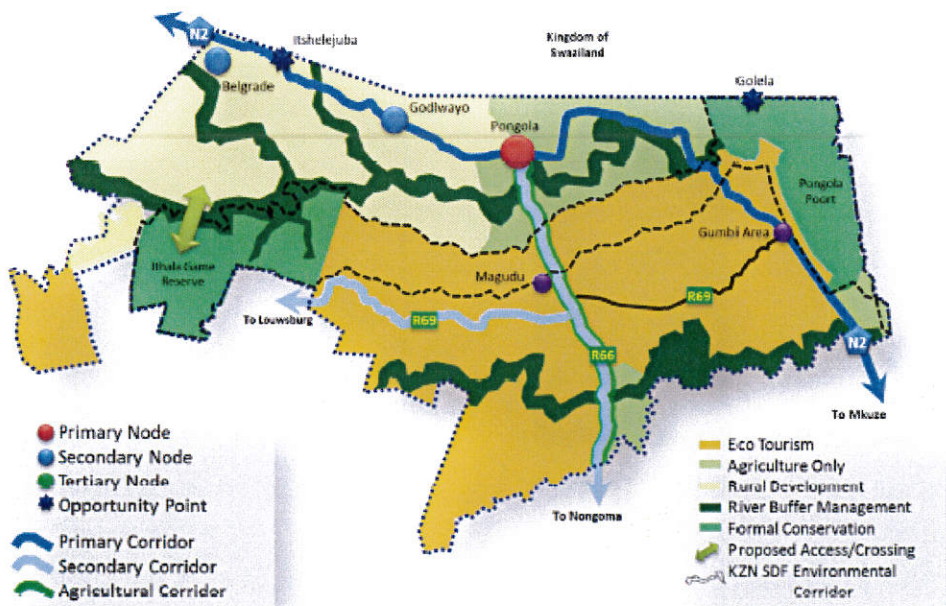


## ***ABBREVIATIONS AND ACRONYMS***

CPIX	Consumer Price Index
DoRA	Division of Revenue Act
EXCO	Executive Committee
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
MM	Municipal Manager
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NT	National Treasury
PT	Provincial Treasury
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

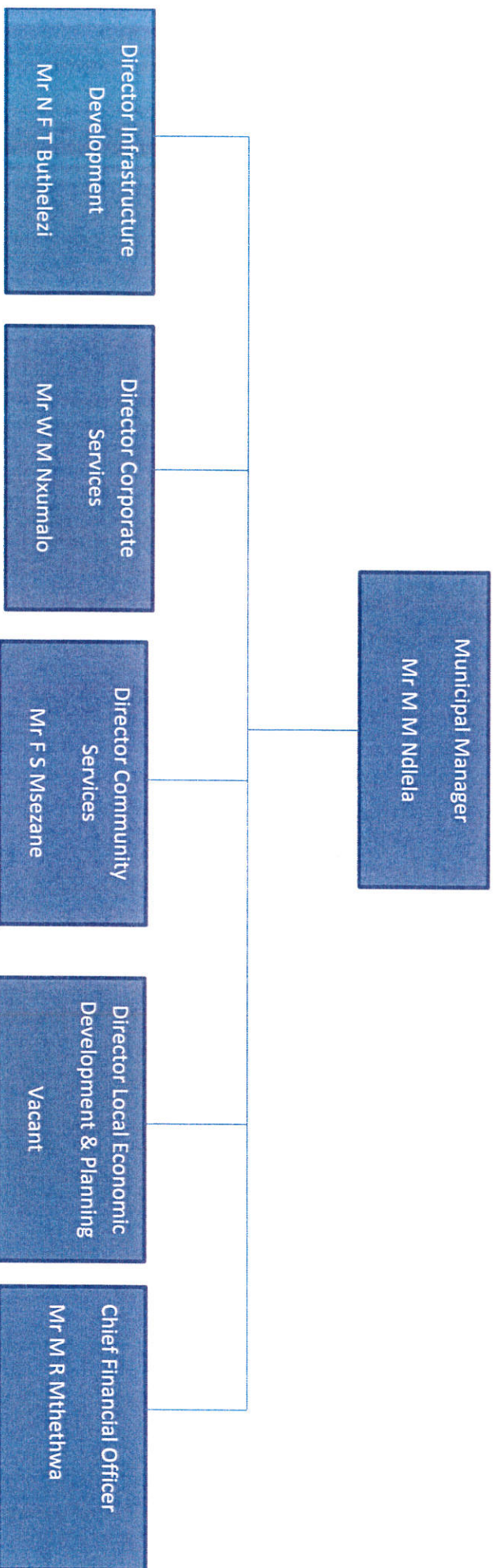


## MAP OF UPHONGOLO AREA





## ORGANISATIONAL STRUCTURE





## **UPHONGOLO MUNICIPALITY PROFILE**

### **VISION OF THE MUNICIPALITY**

uPhongolo Local Municipality will evolve into a dynamic socio-economically driven, healthy and sage environment through sustainable service delivery.

### **MISSION**

To ensure provision of sustainable service delivery in order to improve the quality of life of the communities within our area of jurisdiction.

### **VALUES**

- Transparency
- Commitment
- Innovation
- Integrity
- Co-operation

### **LOCAL ECONOMY**

Agriculture and tourism form the basis for the municipality's economy. Large areas of sugarcane and citrus are cultivated in the region. Here is the municipality that provides regional access to a wide range of tourist attractions outside its boundaries. It has within its area of jurisdiction two key tourist attractions: the Ithala Game Reserve and Pongolapoort dam. The attractions are complemented by a large number of game reserves, on which a number of lodges and other tourist facilities are located.

### **CLIMATE**

The uPhongolo Municipality has a hot climate with sunshine for the most part of the year.

### **STATE OF THE ECONOMY**

The 2015 Medium Term Budget Policy Statement notes that the global economic outlook has been weaker than anticipated. Growth in developing economies has moderated in response to lower commodity prices, subdued domestic demand and reduced capital inflows. Growth in some developed economies has offset this slowdown. The South African economy is expected to grow by 1.5 per cent in 2015, 1.7 per cent in 2016 and 2.6 per cent in 2017. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, pose some risk to the inflation outlook. Furthermore, the electricity supply shortages pose the largest domestic risk to growth.

Persistent high unemployment remains one of South Africa's most pressing challenges. Difficult trading conditions and low business confidence levels have limited hiring during 2015. The formal



sector lost 76 000 jobs, with sharp declines in manufacturing and construction, as well as community, social and personal services.

The economic challenges will continue to pressurize municipal revenue generation and collection hence a conservative approach is devised for projecting revenue. These circumstances make it essential for municipalities to reprioritize and implement stringent cost-containment measures.



# **PART 1**

# **ANNUAL BUDGET**



# UPHONGOLO LOCAL MUNICIPALITY



## MAYOR'S REPORT

# BUDGET SPEECH

2016/2017 Financial Year

By the Mayor

**M Hadebe**

at the Council Meeting

on

Monday, 30 May 2016





**Hon. Mayor M M Hadebe**



## **1.1 MAYOR'S BUDGET SPEECH**

**HONOURABLE SPEAKER**

**MEMBERS OF THE EXECUTIVE COMMITTEE**

**HONOURABLE COUNCILLORS**

**AMAKHOSI PRESENT TODAY**

**MUNICIPAL MANAGER AND MUNICIPAL OFFICIALS**

**DISTINGUISHED GUESTS**

It is a time well appreciated to present to you the budget of uPhongolo Local Municipality for the year 2016/17. Since this is the penultimate year of our term as councillors, perhaps it is befitting to look at the achievements of this municipality as from June 2011. Let me hasten to mention that these services were requested by our various communities across the length and breadth of uPhongolo as demarcated and were duly delivered by this municipality.

### On Access Roads

2011/12 - Access roads were constructed in wards 14, 3 and 6

2012/13 – In wards 5, 7 and 9

2013/14 – In wards 12 and 13

2014/15 – In wards 8 and 11

2015/16 – In wards 1 and 4

This program of constructing access roads has now gone full cycle, meaning all wards have been covered during our term. In 2016/17, it is continuing and we will be spending more than R 8 mil on this.

### ON ELECTRICITY

Since we began in 2011/12, we have connected more than 2000 households to the national grid and in the process, spent millions of rands allocated to us through the INEP programme.

- 2011/12 - started connections in wards 5,3,6 and 12 (R 17.5 mil)
- 2012/13 - no allocation
- 2013/14 - received R14 million and continued to electrify wards 3, 6 and 12. We also engaged ESKOM to come on board and they indeed agreed by starting electrification in wards 14 (Candover) and 12 (Dark city & France) from internally generated, we able to set up high-mast lights in Ncotshane Township.

- 2014/15 – Received R 12 million, started connections in wards 11 (Mavithi and 14 Cottland, Zonyama and other areas) In that year, we also begun connections in ward 5 (Enqabeni and Mabonjane), a project that is continuing and is being finalized to date.
- 2015/16 - allocated R12 million, and from this we are busy connecting households in ward 1 (Magudu, Nyaliza, Mpakama, Mpalaza and KwaMpondo). We have also requested and received R 10 mil from COGTA to complete connections in ward 1 and the processes towards spending this funds are ensuing.
- 2016/17- We have been allocated R18 Million, which will assist in completing the whole process of grid connections. This fund will be spent in connecting Kwa-Mbhucu, and other areas in ward 6, RDP houses in Ncotshane.

#### ON EDUCATION

- In 2011, we took a decision support learners through funding them for first year. We have been able to assist learners from poor families by offering a bursary fund of more than R30 00 per learner per year and this program is budgeted for in 2016/17.
- Numerous young people have been assisted with setting their outstanding fees and helping with registration fees.
- We have built ECD centres in wards 5,7,11 and are currently building others in wards 4, 9 and 13.

#### ON SPORT AND RECREATION

Several sports fields have been upgraded and others are currently being upgraded.

- Built (Ncotshane, Mkhwakhweni and Belgrade) currently built (ward 3 and ward 14).
- Something left out is the availability of land.
- Challenges – Ward 11, ward 7 and ward 8

We have completed one community hall already and other three are being constructed in wards 9, 12, and 14.

We are continuing with this program in the ensuring year in wards where this basic need is unavailable.

#### ON HOUSING

- It's now a foregone knowledge that RDP houses are being built in Ncotshane and their nearing completion.
- Above, we have already engaged the Department of Human Settlements to further built houses in rural ward 6 and councillors would know since they are busy introducing contractors to several communities in this regard.

#### ON SOCIAL PROGRAMS AND LED

- We have continued to participate in many events of our nation ie Umkhosi Womhlanga, owamaganu, oweLembe



- We have worked with various sectors of our communities to improve their lot. We have work with our youth through the Youth Council, have assisted the aged with sticks and blankets in winter months.
- We have assisted small entrepreneurs to establish and develop themselves – to count a few the brickmaking factory in Ncotshane, Clothing factory etc.
- With the assistance of other arms of government, we have trained many of our young people in several fields i.e. bricklaying, painting roofing and how to run their own businesses.

#### ON GOVERNANCE

- Politically, there has been relative stability, but there were challenges, especially when council and committees meetings could not seat due to political parties wrestling each other.
- Administratively, we also had challenges in filling the Municipal Manager's post and some head of departments' positions.
- On staffing, our employees' population has increased from 175 to 268. We have several key positions not yet filled and in 2016/17 we have to look at prioritising these key positions and its should be mentioned here since our equitable share has been significantly reduced (Quantitative aspect)

#### ON JOB CREATION

- Through national programs, CWP and EPWP, we have been able to create many jobs for our people. One will have wish for more on this but we are confined by the fact that we are a grant dependent municipality.
- As already mentioned above, we have trained a number of young people in various skills, so that on their own they will take advantage of any available opportunity.

#### **BUDGET: 2016/17 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

Honourable Speaker, This is a very tight budget aimed at ensuring that the levels of revenue are maintained to ensure continuation of current basic service levels and in doing so by following the guidelines issued by National Treasury in 2016/17 Budget Circulars.

The following constitute the key budget focus areas:

- Cost reductions to ensure affordable tariffs;
- Social support to those residents who cannot afford to pay for services;
- Continuous endeavor to address infrastructure backlogs;
- Intensification of job creation activities through the expanded public works programme and the implementation of capital projects;
- Promoting good governance and clean administration; and
- Continuous efforts to ensure recovery of consumer debts.

The revenue base of the municipality continues to remain under pressure and needs to be expanded over the medium term to boost the financial position of the municipality. The level of the consumers book debt shows an ever-increasing trend which clearly indicate the inability to pay due to various factors the primary of which is the high rate of unemployment. The municipality once more calls upon the community to show their support by prioritizing payment of municipal services in order to contribute towards building a better future and life for all living within uPhongolo area.

Honourable Speaker, I am pleased to announce that the budget is fully funded. However, I must hasten to mention that a projected cash balance of R19 million is not pleasing. This scenario was also alluded to by the Auditor General in the immediate past two financial years. Honourable Speaker, in order to achieve a healthy bank balance the municipality must earnestly embark on the cost cutting exercise whilst simultaneously looking into areas of enhancing revenue.

The budget herewith presented amounts to R196,7 million for operating expenditure and R82,4 million for capital expenditure, totaling R279,2 million. The budget will be financed from the following sources:

•	Equitable share	R 97,8 million
•	Conditional grants	73,2 million
•	Borrowings	10,8 million
•	Internally generated funds	14,9 million

The municipal allocation in terms of the equitable share increased from R96,9 million in 2015/16 to R97,8 million in 2016/17, an increase of only R910 thousand. It should be mentioned that this increase is not adequate to address the effects of inflation on expenditure. There is a shortfall of approximately R7,8 million which the municipality will have to raise from other sources in order to counteract the inflation upward-adjustment on expenditure. The equitable share is mainly used to provide relief to indigent households.

The municipality remains committed to maintain infrastructure and an amount of R82,4 million has been set aside for this purpose whilst R6 million of the capital budget will be used for the renewal of existing infrastructure assets.

Infrastructure grants amount to R66,997 million and transfers and grants to build and strengthen capacity in local government amount to R66,9 million.

Over the 2016/17 MTREF the municipality plans to spend R82,4 million on various capital programmes as informed by the IDP. The key capital expenditures amongst the various functions of the municipality for the 2016/17 financial year are:

- R40,779 million for roads and storm water infrastructural development:
  - R9,4 million will go towards the construction of new roads;
  - R8 million to upgrade and renew existing roads;
  - R6,8 million for the construction of community halls and multi-purpose centre;
  - R15 for the construction of sports facilities; and
  - R1,6 million for the construction of chreches.



- R26,861 million for electricity electrification programme:
  - R24,861 million for electrification programmes.
  - R 2 million for renewal of electricity infrastructure in extension 4.

## **PROPOSED TARIFF INCREASES**

Honourable Speaker, in order to continue providing sustainable services, the municipality should be in a position to recover costs associated with the provision of services such as bulk services and refuse removal and to ensure that all properties are correctly billed for property rates. In this regard some cost drivers may necessitate increases above the CPI. Further, municipalities are encouraged to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

It is on this basis that tariffs are reviewed in order to ensure sufficient cash is generated to remain focused on effective service delivery that is economical and equitable to all communities.

The proposed tariff adjustments to fully recover costs are:

- 7.64% average increase for electricity as approved by NERSA.
- 8% increase for refuse removal.
- 8% average increase for property rates.

Honourable Speaker, it is of utmost importance that our ratepayers must derive value for money out of these increases. Therefore, the municipality undertakes not to do business as usual, but rather focus on doing more with less in delivering quality services:

- Electricity and area lighting must be supplied with minimum interruption.
- Grass must be cut and picked up regularly.
- Waste must be collected and per schedule and neatly.
- Potholes must be properly fixed within 48 hours.

The budget that is presented here today will ensure that the current service delivery levels are maintained. However, there will always be challenges and our needs are many with limited resources, but with this budget the municipality will go an extra mile.

## **CONCLUSION**

In conclusion Honourable Speaker and Council members, the former President of RSA, Nelson Mandela, during his inauguration, once said "The sun will never set on such a glorious human achievement". Against any hostile voice, if any present, I allude to the words of President Nelson Mandela that no sun will set on our achievements as a municipality to improve our communities. Let all the naysayers be defeated by our footprints we left on the ground and surely I so wish and pray that the new council will built on these indelible marks.

Mr Speaker, Fellow Councillors and members of the administration, may I thank you for having been part of this development.

May God bless South Africa and Phongola

**I THANK YOU**



## 1.2 COUNCIL RESOLUTIONS

### RESOLVED BY COUNCIL

1. **THAT** the annual budget for the 2016/17 MTREF for different votes be approved as set out by the following tables:
  - 1.1 Table A1 : Budget summary
  - 1.2 Table A2 : Budget financial performance
  - 1.3 Table A3 : Budget financial performance (municipal vote)
  - 1.4 Table A4 : Budget financial performance by revenue source and expenditure type
  - 1.5 Table A5 : Budgeted capital expenditure by vote
  - 1.6 Table A6 : Budgeted financial position
  - 1.7 Table A7 : Budgeted cash flows
  - 1.8 Table A8 : Cash backed reserves (accumulated surplus reconciliation)
  - 1.9 Table A9 : Asset Management
  - 1.10 Table A10 : Consolidated basic service delivery measurement
2. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate applicable from time to time.
3. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000 and Section 24 of Local Government Municipal Property Rates Act, 6 of 2004, approves with effect from 1 July 2016 that property tax be levied on the market value of all rateable properties subject to the allowed rebates, exemptions and reductions as follows:

#### 3.1

CATEGORY	Proposed 2016/17	Current 2015/16
	Cents in R	Cents in R
Residential with the exclusion of the first R15 000 of assessed market value, a further R45 000 reduction on the market value of a residential property.	0.013697	0.012683
State owned property	0.0171212	0.015853
Business and commercial properties	0.0171212	0.015853
Agricultural properties	0.0034247	0.003171
Vacant land	0.0171212	0.015853
Public service infrastructure	0.0034247	0.003171
Rural communal land	0.0171212	0.015853
Special non-market properties	0.0171212	0.015853

### 3.2 Rebates

3.2.1 That a 100 per cent rebate be granted to registered indigents in terms of the Indigent Policy.

3.2.2. That a 20 per cent rebate be allowed to pensioners, physically and mentally disabled persons. In this regard the following stipulations are relevant:

- The rateable property concerned must be occupied by the applicant and his/her spouse, if any, and by dependants without income;
- The owner must be living permanently on the property;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension; and
- The property must be categorized as residential.

3.2.4 The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

### 3.3 Exemptions:

That in terms of Section 15(1)(a) of the MPRA, Act 6 of 2004, the following categories be exempted from payment of a rate levied on their property:

3.3.1 rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 100 of 1978.

3.3.2 rateable property owned by public benefit organisations and used for a specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.

3.3.3 rateable property owned by organisations performing charitable work.

3.3.4 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.

3.3.5 properties in the "**municipal**" category unless a lease or sale agreement for such a property, or part thereof exists.

3.3.6 on the first 30% of the market value of public service infrastructure.

3.3.7 on the first R15 000 of the market value of the property assigned in the valuation roll to a category determined by the municipality:

- (i) for residential purposes and duets not subject to a sectional title scheme, or
- (ii) for properties used for multiple purposes, provided one or more components of the property and which forms a major part of the property, are used for residential purposes.

3.3.8 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence



registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

- 3.3.9 on those parts of a special nature reserve, national park or national reserve with meaning of Protected Areas Act or a national botanical garden within the meaning of National Management Biodiversity Act, 2004 which are not developed or used for commercial business, or residential agricultural purposes.

The owners of such properties mentioned above must apply to the Chief Financial Officer in the prescribed format for such a grant.

- 3.4 That all property rates as per paragraph 3.1 above be subjected to Value Added Tax at a zero rate.

4. **THAT** the fees for the removal of solid waste (refuse), whether the service is delivered or not, as published be approved with effect from 1 July 2016 as follows:

4.1 Tariff of charges

	<b>Proposed Tariff 2016/17</b>	<b>Current Tariff 2015/16</b>	<b>Change</b>
<b>Belgrade:</b>			
Residential property - removed twice per week (per bin)	128.48	118.96	8%
Business – removed twice per week (per bin)	171.30	158.61	8%
Government and departments removed twice per week (per bin)	171.30	158.61	8%
<b>Urban</b>			
Residential – twice per week	137.82	127.61	8%
Residential (Departmental) – twice per week (per bin)	137.82	127.61	8%
Businesses removed daily per month	1 595.27	1 722.89	8%
Vacant land per month	48.83	45.21	8%
Sectional titles removed twice per week	137.82	127.61	8%
Garden refuse – per meter load or part thereof	137.82	127.61	8%
Building rubble – per meter load or part thereof	275.64	255.22	8%
Residential block of flats per unit (per month)	137.82	127.61	8%

- 4.1.2 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme of all dwellings in the formalized informal housing settlement no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable by the National Treasury.

- 4.1.3 That a 20% rebate be allowed to pensioners, physically and mentally disabled persons. In this regard the following stipulations are relevant:

- The rateable property concerned must be occupied by the applicant and his/her spouse, if any, and by dependants without income;

- The owner must be living permanently on the property;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension.

4.1.4 That the fees for the removal of solid waste as per paragraph 4.1 be subjected to Value Added Tax at the standard rate.

5. **THAT** the electricity tariffs for the 2016/17 financial year be approved with effect from 1 July 2016 as follows:

Category	Proposed Tariffs	Current Tariffs	Change
Domestic:			
- Basic	285.37	260.85	9.4%
- Plus	1.20	1.09	9.4%
Undeveloped stands			
- Basic	152.22	139.14	9.4%
Business/Commercial:			
- Basic	634.50	579.98	9.4%
- Plus	1.22	1.33	9.4%
Bulk Consumers:			
- Basic	877.39	802.00	9.4%
- Demand charge - KVA	171.11	156.41	9.4%
- Energy charge - kwh	0.74	0.67	9.4%

5.1.1 That the electricity tariffs be approved subject to the final NERSA approval and be adjusted accordingly should further increases be approved for ESKOM.

5.2 That the fees for the removal of solid waste as per paragraph 4.1 be subjected to Value Added Tax at the standard rate.

6. **THAT** the following budget related policies be approved for implementation from 1 July 2016:

- 6.1 Free basic services and indigent policy.
- 6.2 Supply chain management policy.
- 6.3 Tariff policy.
- 6.4 Travelling and subsistence policy.
- 6.5 Asset management policy.



- 6.6 Borrowing management policy.
- 6.7 Funding and reserves policy.
- 6.8 Property rates policy.
- 6.9 Virement policy.
- 6.10 Investment and cash management investment.
- 6.11 Credit and debt collection policy.
- 6.12 Budget policy.
- 7. **THAT** the approved budget in both printed and electronic formats be submitted to National and Provincial Treasury.
- 8. **THAT** the approved budget be placed on the municipal website within five (5) working days from date of approval.
- 9. **THAT** the approved budget and supporting documentation with Council resolution be made public in terms of Section 2(A) of the Municipal Systems Act, 32 of 2000 within ten (10) working days after Council approval.

### 1.3 EXECUTIVE SUMMARY

The year 2015/16 has been challenging and very demanding but due to the emphasis on cost control and the introduction of austerity measures this has somewhat assisted the municipality to reduce the adverse impact of the slow economic recovery.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low-to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

National Treasury's MFMA Circulars No. 78 and 79 were used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2015/16 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2016/17 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The following macro-economic forecasts have been taken into consideration when preparing the 2016/17 budgets and MTREF.

Inflation forecast	2016 Estimate	2017 Forecast	2018 Forecast	2019 Forecast
CPI Inflation	5.4%	6.6%	6.2%	5.8%

Nersa approved guidelines on municipal electricity price increase for the 2016/17 financial year. A guideline increase of 7.86% has been approved based on the following assumptions:

- Bulk purchases have increased by 7.86% in line with Eskom electricity tariff increases to municipalities.
- A consumer price index (CPI) of 6% as indicated in the Medium Term Budget Policy Statement (MTBPS) 2016.

The South African Bargaining Council has entered into a Salary and Wage Collective Agreement effective 1 July 2015 to 30 June 2018. The following proposed guideline in preparing the 2016/17 budgets:

- 2016/17 financial year: 7.6%
- 2017/18 and 2018/19 financial years: inflation linked increase + 1%
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;



difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 77.2% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.
- Improving customer relations and promoting a culture of payment.
- Creating an environment which enhances growth, development and service delivery.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

#### Summary of revenue classified by main revenue source

Revenue Source	Budget 2016/17	%	Adjustments Budget 2015/16	%
	R'000		R'000	
Property rates	26 162	13.8	24 732	13.3
Service charges	45 412	24.0	42 048	22.8
Rental of facilities and equipment	674	0.4	632	0.4
Fines, licences and permits	2 052	1.1	1 925	1.0
Interest income	7 426	3.9	6 967	3.8
Operating transfers and grants	105 326	55.8	106 775	57.8
Other income	1 847	1.0	1 732	0.9
<b>TOTAL</b>	<b>188 899</b>	<b>100.0</b>	<b>184 811</b>	<b>100.0</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Operational Transfers and grants constitute a significant percentage of the revenue basket for the Municipality. Rates and service charges comprise a second of the total revenue mix. In the 2015/16 financial year, revenue from rates and services charges totalled R66,8 million or 36.1%. This increases to R71,6 million (37.9%), R76,8 million (40.7%) and R82,4 million (40.9%) in the respective financial years of the MTREF. The above table includes revenue foregone arising from discounts and

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

The proposed revenue adjustments to fully recover costs are as follows:

- ***Property rates***

An average increase of 8%.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The new valuation roll was implemented on 1 July 2014. This means that the valuation of properties for the 2016/17 financial year will remain the same except for properties where interim valuations are done. The rate per category increase for individual properties will be more or less the same.

- ***Sale of Electricity***

An average increase of 7.86%.

NERSA has announced the revised bulk electricity pricing structure. The new increased tariff of 7.86% in bulk electricity to municipalities will be effective from 1 July 2016.

Considering the Eskom increases, the consumer tariff had to be increased by 7.64% to offset the additional bulk purchase cost from 1 July 2016. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge based on the new 9.4% tariff.

- ***Refuse***

An average increase of 8%.

Currently a significant portion of the solid waste removal is outsourced. The waste removal service is operating at a modest surplus. It is widely accepted that the rendering of this service should at least break even. The contractors engaged to clean the town have operational challenges which affect the cleanliness of the town, such as inadequate equipment. It is therefore proposed that the taking up of loans as a strategy for funding of the waste management machinery and equipment be considered and approved to spread the burden over the life span of the assets. As part of the 2016/17 medium-term capital programme, funding has been allocated to waste management department.

An 8% increase in the waste removal tariff is proposed from 1 July 2016. Any increase higher than 8% would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

## 1.5 OPERATING EXPENDITURE FRAMEWORK

The expenditure framework for the 2016/17 MTREF is informed by:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- The repairs and maintenance programme;
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made;
- Elimination of spending on non-priority items.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

Expenditure by Type	Budget 2016/17	%	Adjustments Budget 2015/16	%
Employee-related cost	66 760 143	33.9	62 044 743	33.6
Remuneration of councilors	8 276 502	4.2	7 597 432	4.1
Debt impairment	10 084 396	5.1	9 460 034	5.1
Depreciation and asset impairment	8 802 762	4.5	7 832 794	4.2
Finance charges	1 105 577	0.6	1 175 216	0.6
Bulk purchases – electricity	27 021 125	13.7	25 052 035	13.6
Other materials	11 797 958	6.0	10 725 391	5.8
Contracted services	17 109 059	8.7	17 060 411	9.2
Transfers and grants	4 947 964	2.5	3 038 740	1.6
Other expenditure	40 843 667	20.8	40 824 788	22.2
<b>TOTAL</b>	<b>196 749 154</b>	<b>100.0</b>	<b>184 811 400</b>	<b>100.0</b>

The operating budget provides for total operating expenditure for the 2016/17 financial year of R196,7 million which increases to R220,4 million for the 2018/19 financial year. For the 2015/16 the operating expenditure amounted to R184,8 million.



**Employee-related costs:**

The budgeted allocation for employee related costs for the 2016/17 financial year increases from R62 million to R66,8 million and equals 33.9% of the total operating expenditure. The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. Salary increases have been factored into this budget at a percentage increase of 7.6% for the 2016/17 financial year. An annual increase of 6.8% has been included in the two outer years of the MTREF. In addition expenditure against overtime was significantly reduced to within 3% of the total salary bill.

**Remuneration of councillors:**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). As the new upper limits for the 2016/17 financial year have not yet been gazetted, an increase of 6% as in 2015/16 has been taken into account in compiling the Municipality's budget.

**Debt impairment:**

The provision of debt impairment was determined based on an annual collection rate of 77% and the Debt Write-off Policy of the Municipality. For the 2016/17 financial year this amount equates to R10 million and decrease to negative R9,5 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

**Depreciation and asset impairment:**

Provision for depreciation, amortisation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R8,8 million for the 2016/17 financial and equates to 4.5% of the total operating expenditure. Provision for the rehabilitation of the landfill site has been adjusted upwards by 6% (inflation rate) since there have been no changes since the last valuation.

**Finance charges:**

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.6% (R1,106 million) of operating expenditure and decrease to R1,336 million by 2018/19. The Municipality has not yet reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it remains the same at 0.6% of total operating expenditure by 2018/19.

**Bulk purchases - electricity:**

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increase of 7.86% over the 2016/17 MTREF has been factored into the budget appropriations and directly informs the revenue provisions. The expenditure includes distribution losses.

**Contracted services:**

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/16 financial year, this group of expenditure totals R17 million and has remained stable at R17,1 million in 2016/17. A portion of this expenditure relates to Expanded Public Works Programme (EPWP) one-year projects which address a call by National Government to all municipalities to create jobs in response to the National Development Plan (NDP). As part of the process of identifying further cost efficiencies, the significant portion of the refuse removal is undertaken by the municipality. Further details relating to contracted services can be seen in Table SA1 (see page 79).

**Priority given to repairs and maintenance:**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance as informed by the repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Repairs and maintenance per asset class**

<b>Expenditure by Type</b>	<b>Budget 2016/17</b>	<b>%</b>	<b>Adjustments Budget 2015/16</b>	<b>%</b>
Infrastructure – roads	11 600 795	56.8	11 311 866	60.5
Infrastructure – electricity	2 543 359	12.5	2 894 412	15.5
Other assets	6 282 745	30.7	4 506 209	24.0
<b>TOTAL</b>	<b>20 426 899</b>	<b>100.0</b>	<b>18 712 487</b>	<b>100.0</b>

The municipality remains committed to maintain infrastructure and an amount of R20,4 million is set aside for the 2016/17 financial year which gradually increases to R26,7 million in 2018/19 financial year.

Repairs and maintenance constitutes 5% of written down value (WDV) of fixed assets. National Treasury indicates a guideline of 8% provision that is considered adequate to secure the ongoing health of infrastructure assets. However, 5% of the WDV is adequate for the municipality at the moment since the emphasis is still on addressing the infrastructure backlogs.

For the 2016/17 financial year, R20,4 million of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling, R11,6 million, followed by other assets at R6,3 million. The construction of electricity infrastructure is almost complete with only two remaining wards that are being electrified.

#### Transfers and grants:

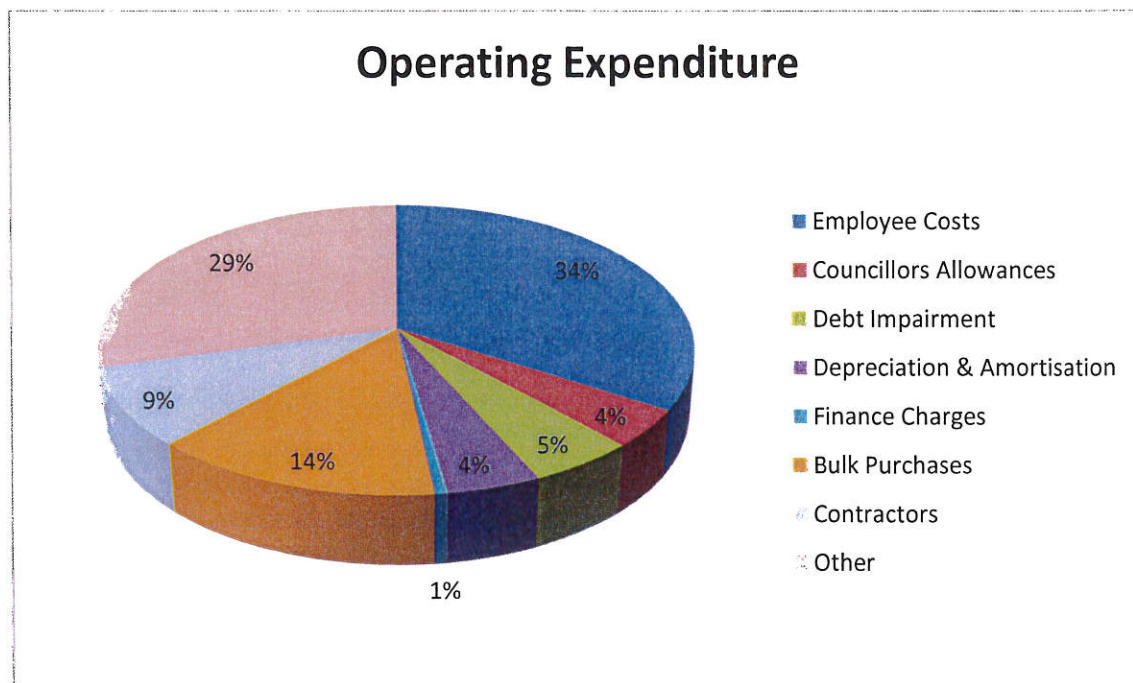
Transfers and grants comprise free basic services. The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to have 8 000 or more registered indigent households during the 2016/17 MTREF. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) on page 53.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. Qualifying households obtain their free electricity directly from Eskom, hence no foregone revenue is disclosed in Table A10.

#### Other expenditure:

Other expenditure comprises various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Due to none increase in equitable share and minimal growth in own revenue other expenditure has been reduced by cutting down certain non-essential expenditure items. Further details relating to other expenditure can be seen in Table SA1 (see page 79).

The following table gives a breakdown of the main expenditure categories for the 2016/17 financial year.



**Figure 1 Main operational expenditure categories for the 2016/17 financial year**



## 1.6 CAPITAL EXPENDITURE FRAMEWORK

For 2016/17 an amount of R68,9 million has been appropriated for the development of infrastructure which represents 93.4% of the total capital budget. In the outer years this amount totals R41,9 million, or 82.6% and R45,4 million, or 91.6% respectively for each of the financial years.

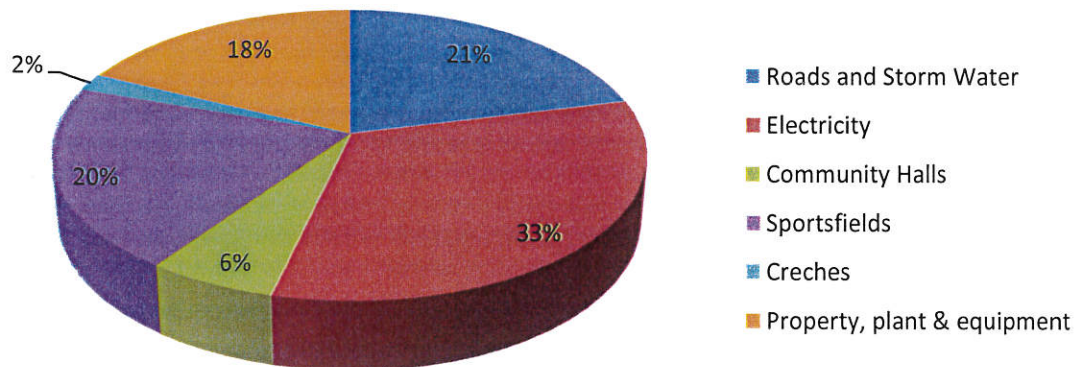
Total new assets in 2016/17 represent 98.9% or R81,5 million of the total capital budget while asset renewal equates to 1.1% or R932 thousand. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management) on page 52. In addition to the Table A9, Tables SA34a, b, c provide a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 117; 118 and 119).

The key capital expenditure in the proposed capital budget for 2016/17 financial year is as follows:

Capital Expenditure asset class	Budget 2016/17	%	Adjustments Budget 2015/16	%
	R'000		R'000	
Roads and storm water infrastructure	17 400	21.1	23 471	30.4
Electricity infrastructure	26 861	32.6	23 500	30.4
Community	23 379	28.4	13 852	17.9
Motor vehicles	1 800	2.2	7 050	9.2
Plant and equipment	2 268	2.8	1 553	2.0
Computer equipment	-	-	1 148	1.5
Furniture and equipment	-	-	722	0.9
Civil buildings	8 000	9.7	3 000	3.9
Other buildings	200	0.2	400	0.5
Other (New financial system)	2 500	3.0	2 500	3.3
<b>TOTAL</b>	<b>82 408</b>	<b>100.0</b>	<b>77 196</b>	<b>100.0</b>

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

## Capital Expenditure



**Figure 2 Capital Infrastructure Programme**

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Capital Expenditure Allocations	Ward	Budget Year 2016/17	Budget Year 2017/18	Budget Year 2018/19	Source of Funds
		R	R	R	
Community Hall	4	2 500 000			MIG
Community Hall	6	2 500 000			MIG
Access Road	14	4 700 000			MIG
Access Road	3	4 700 000			MIG
Roads (Tarring in town)	11	8 000 000			MIG
Creche – Deckville	13	800 000			MIG
Creche	9	800 000			MIG
Multi-purpose Centre	11	3 396 100			MIG
Sports Complex - Ncotshane	10	15 000 000			SPORTS
Paving Main Street – Belgrade	5		2 860 000		MIG
Creche – Dwarsland	1		669 000		MIG
Creche – Hlambanyathi	14		2 860 000		MIG
Paving road – ZCC to Simunye	13		2 860 000		MIG

Capital Expenditure Allocations	Ward	Budget Year 2016/17	Budget Year 2016/17	Budget Year 2017/18	Source of Funds
Paving road – N2 to Thandukukhanya	7		2 860 000		MIG
Paving road – Magedlela to Simandla Street	2		2 860 000		MIG
Access Road	6		5 767 000		MIG
Access Road	9		3 814 000		MIG
Sporting Complex	4		3 910 000		MIG
<b>Sub-total</b>		<b>40 779 000</b>	<b>27 460 000</b>	<b>28 867 000</b>	
<b>Electrification Programme:</b>					
Ward 6		18 000 000	13 000 000	15 000 000	DOE
Mass Electrification Programme - Dwarsrand		6 861 000	-	-	COGTA
Other		16 768 000	10 307 000	5 700 000	
<b>TOTAL</b>		<b>82 408 000</b>	<b>50 767 000</b>	<b>49 567 000</b>	

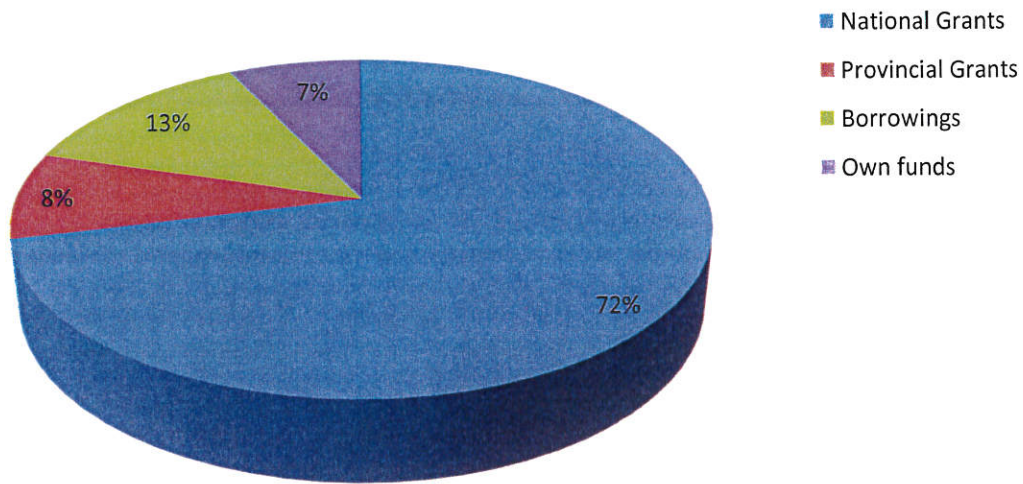
### Funding of capital expenditure

The ability of the municipality to deliver on progress depends a lot on its funding sources which are summarized below:

Funding source	Budget 2016/17	%	Adjustments Budget 2015/16	%
National capital grants	58 779 000	71.3	43 759 000	56.7
Provincial capital grants	6 861 000	8.3	15 564 000	20.1
Borrowings	10 800 000	13.1	13 550 000	17.6
Internally generated funds	5 968 000	7.2	4 322 500	5.6
<b>TOTAL</b>	<b>82 408 000</b>	<b>100.0</b>	<b>77 195 500</b>	<b>100.0</b>



## Funding Source



**Figure 3 Funding source for the 2016/17 financial year**

### Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table SA35 on page 121. This table shows that future operational costs associated with the capital programme totals R16,8 million in 2016/17 and escalates R18,7 million by 2018/19.

# Annual Budget Tables

**Table A1 Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	14 051	17 822	25 179	24 732	24 732	24 732	24 732	26 162	27 784	29 423
Service charges	28 785	32 509	35 391	42 086	42 048	42 048	42 048	45 412	49 045	52 969
Investment revenue	1 043	1 605	1 058	1 846	1 846	1 846	1 846	1 968	2 090	2 214
Transfers recognised - operational	66 486	71 407	82 725	106 754	106 775	106 775	106 775	105 326	109 254	115 526
Other own revenue	8 753	8 560	13 203	10 514	9 410	9 410	9 410	10 031	10 653	11 281
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>119 118</b>	<b>131 904</b>	<b>157 556</b>	<b>185 932</b>	<b>184 811</b>	<b>184 811</b>	<b>184 811</b>	<b>188 899</b>	<b>198 826</b>	<b>211 413</b>
Employee costs	33 774	36 700	45 237	60 765	62 045	62 045	62 045	66 760	71 300	76 148
Remuneration of councillors	5 997	6 909	7 473	7 762	7 597	7 597	7 597	8 277	8 773	9 299
Depreciation & asset impairment	4 372	4 631	7 857	7 833	7 833	7 833	7 833	8 803	8 333	7 833
Finance charges	765	782	2 895	1 175	1 175	1 175	1 175	1 106	1 204	1 336
Materials and bulk purchases	25 503	27 973	27 987	35 414	35 777	35 777	35 777	38 819	41 667	48 316
Transfers and grants	2 691	2 309	2 913	3 039	3 039	3 039	3 039	4 948	4 895	5 336
Other expenditure	29 924	57 609	59 531	69 943	67 345	67 345	67 345	68 037	71 047	72 152
<b>Total Expenditure</b>	<b>103 025</b>	<b>136 913</b>	<b>153 894</b>	<b>185 932</b>	<b>184 811</b>	<b>184 811</b>	<b>184 811</b>	<b>196 749</b>	<b>207 220</b>	<b>220 420</b>
<b>Surplus/(Deficit)</b>	<b>16 093</b>	<b>(5 009)</b>	<b>3 662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7 850)</b>	<b>(8 393)</b>	<b>(9 007)</b>
Transfers recognised - capital	18 616	38 010	55 217	38 459	59 323	59 323	59 323	65 640	40 460	43 867
Contributions recognised - capital & contributed a	-	-	173	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>34 709</b>	<b>33 000</b>	<b>59 053</b>	<b>38 459</b>	<b>59 323</b>	<b>59 323</b>	<b>59 323</b>	<b>57 790</b>	<b>32 067</b>	<b>34 860</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>34 709</b>	<b>33 000</b>	<b>59 053</b>	<b>38 459</b>	<b>59 323</b>	<b>59 323</b>	<b>59 323</b>	<b>57 790</b>	<b>32 067</b>	<b>34 860</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>19 232</b>	<b>42 570</b>	<b>56 104</b>	<b>56 332</b>	<b>77 196</b>	<b>77 196</b>	<b>77 196</b>	<b>82 408</b>	<b>50 757</b>	<b>49 567</b>
Transfers recognised - capital	18 616	38 010	53 353	38 459	59 323	59 323	59 323	65 640	40 460	43 867
Public contributions & donations	-	-	173	-	-	-	-	-	-	-
Borrowing	-	4 118	-	13 550	13 550	13 550	13 550	10 800	9 397	4 800
Internally generated funds	616	443	2 577	4 323	4 323	4 323	4 323	5 968	900	900
<b>Total sources of capital funds</b>	<b>19 232</b>	<b>42 570</b>	<b>56 104</b>	<b>56 332</b>	<b>77 196</b>	<b>77 196</b>	<b>77 196</b>	<b>82 408</b>	<b>50 757</b>	<b>49 567</b>
<b>Financial position</b>										
Total current assets	59 436	65 843	92 652	93 873	59 068	59 068	59 068	61 697	61 995	61 606
Total non current assets	212 644	247 585	313 661	356 113	375 613	375 613	375 613	441 680	478 814	520 548
Total current liabilities	31 216	40 499	58 213	51 094	49 876	49 876	49 876	53 735	48 539	45 501
Total non current liabilities	8 579	10 297	9 155	10 883	12 738	12 738	12 738	11 793	12 965	12 487
Community wealth/Equity	232 285	262 632	338 945	388 008	372 067	372 067	372 067	438 752	480 207	525 069
<b>Cash flows</b>										
Net cash from (used) operating	29 945	29 948	58 634	53 530	69 150	69 150	69 150	86 605	51 140	53 283
Net cash from (used) investing	(19 104)	(41 784)	(56 104)	(56 332)	(76 132)	(76 132)	(76 132)	(74 658)	(45 467)	(49 567)
Net cash from (used) financing	(3 614)	2 037	(2 994)	6 610	4 408	4 408	4 408	(420)	(146)	(691)
<b>Cash/cash equivalents at the year end</b>	<b>23 402</b>	<b>13 603</b>	<b>13 137</b>	<b>33 627</b>	<b>10 564</b>	<b>10 564</b>	<b>10 564</b>	<b>22 090</b>	<b>27 616</b>	<b>30 641</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	23 402	13 603	13 137	33 627	10 564	10 564	10 564	22 090	27 616	30 641
Application of cash and investments	(14 600)	5 698	6 621	1 935	6 754	6 754	6 754	15 918	20 340	19 134
<b>Balance - surplus (shortfall)</b>	<b>38 002</b>	<b>7 905</b>	<b>6 516</b>	<b>31 692</b>	<b>3 810</b>	<b>3 810</b>	<b>3 810</b>	<b>6 172</b>	<b>7 276</b>	<b>11 507</b>
<b>Asset management</b>										
Asset register summary (WDV)	212 567	247 534	313 661	267 598	375 613	375 613	441 680	441 680	478 814	520 548
Depreciation & asset impairment	4 372	4 631	7 857	7 833	7 833	7 833	8 803	8 803	8 333	7 833
Renewal of Existing Assets	-	-	-	2 590	2 090	2 090	2 090	932	3 059	3 750
Repairs and Maintenance	8 382	11 127	10 372	18 349	18 712	18 712	20 427	20 427	21 735	26 713
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	1 568	-	-	-	-	1 672	1 776
<b>Households below minimum service level</b>										
Water:	23	24	24	24	24	24	24	24	24	12
Sanitation/sewerage:	27	27	27	27	27	27	27	27	27	14
Energy:	12	13	13	13	13	13	13	13	13	13
Refuse:	-	-	-	-	-	-	-	-	-	-

**Explanatory notes to Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Even though the Council places great emphasis on the financial sustainability of the municipality, this is not to be done at the expense of services to the poor. The section on Free Services shows that the amount spent on free basic services and the revenue cost of free services provided by the municipality continues to increase. In addition the municipality continues to make good progress in addressing service delivery backlogs.



**Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		60,589	67,831	71,936	87,192	86,715	86,715	80,460	86,334	93,446
Executive and council		9,777	15,430	15,225	20,768	19,838	19,838	8,646	9,488	10,018
Budget and treasury office		39,730	39,323	44,783	51,482	51,619	51,619	52,772	56,558	62,658
Corporate services		11,082	13,077	11,928	14,941	15,257	15,257	19,042	20,288	20,770
<i>Community and public safety</i>		12,893	16,807	13,444	20,933	20,715	20,715	28,048	29,706	30,476
Community and social services		4,545	4,725	5,368	9,071	8,853	8,853	14,338	14,517	14,845
Sport and recreation		1,503	5,780	2,626	3,627	3,627	3,627	4,822	5,632	5,936
Public safety		6,845	5,872	5,451	8,235	8,235	8,235	8,889	9,558	9,695
Housing		-	431	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		29,981	41,572	50,701	57,401	68,041	68,041	71,336	56,366	58,298
Planning and development		22,407	34,859	42,346	44,099	55,089	55,089	57,151	41,024	42,540
Road transport		7,256	6,713	8,365	13,303	12,952	12,952	14,186	15,342	15,757
Environmental protection		318	-	-	-	-	-	-	-	-
<i>Trading services</i>		33,724	43,233	75,607	56,802	66,604	66,604	72,998	64,939	71,033
Electricity		27,728	36,176	62,281	46,172	56,011	56,011	61,589	52,660	57,825
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5,996	7,057	13,326	10,630	10,593	10,593	11,409	12,279	13,208
<i>Other</i>	4	547	470	1,258	2,063	2,060	2,060	1,697	1,942	2,028
<b>Total Revenue - Standard</b>	<b>2</b>	<b>137,734</b>	<b>169,914</b>	<b>212,947</b>	<b>224,391</b>	<b>244,134</b>	<b>244,134</b>	<b>254,539</b>	<b>239,286</b>	<b>255,280</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		48,708	61,374	64,480	69,255	68,158	68,158	68,350	71,478	74,731
Executive and council		15,373	18,392	17,261	17,480	15,140	15,140	16,261	17,285	18,309
Budget and treasury office		18,912	26,869	25,664	28,141	27,133	27,133	27,619	28,313	29,150
Corporate services		14,423	16,112	21,555	23,634	25,885	25,885	24,470	25,880	27,272
<i>Community and public safety</i>		13,919	17,339	25,133	35,463	34,620	34,620	38,494	40,838	42,870
Community and social services		4,405	5,522	5,328	16,720	17,039	17,039	18,279	19,069	19,790
Sport and recreation		2,182	3,568	6,907	8,232	7,070	7,070	9,174	9,748	10,333
Public safety		7,333	8,249	12,898	10,510	10,510	10,510	11,041	12,021	12,747
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15,588	22,077	24,680	32,768	33,273	33,273	35,485	37,421	39,026
Planning and development		6,857	10,946	13,941	15,526	15,971	15,971	16,952	17,689	18,041
Road transport		8,457	11,131	10,739	17,242	17,302	17,302	18,533	19,733	20,986
Environmental protection		274	-	-	-	-	-	-	-	-
<i>Trading services</i>		24,220	35,178	38,311	46,002	46,397	46,397	51,292	54,159	60,270
Electricity		20,313	24,755	26,970	31,376	31,264	31,264	35,623	37,923	44,520
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,907	10,423	11,341	14,626	15,133	15,133	15,669	16,237	15,750
<i>Other</i>	4	590	945	1,291	2,443	2,363	2,363	3,128	3,323	3,523
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>103,025</b>	<b>136,913</b>	<b>153,895</b>	<b>185,932</b>	<b>184,811</b>	<b>184,811</b>	<b>196,749</b>	<b>207,220</b>	<b>220,420</b>
<b>Surplus/(Deficit) for the year</b>		<b>34,709</b>	<b>33,000</b>	<b>59,052</b>	<b>38,459</b>	<b>59,323</b>	<b>59,323</b>	<b>57,790</b>	<b>32,067</b>	<b>34,860</b>

**Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

## Trading Services

Standard Classification Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue</b>									
Electricity	23,366	26,260	27,356	33,705	33,705	33,705	36,402	39,314	42,459
<b>Expenditure</b>									
Electricity	20,313	24,755	26,970	31,376	31,264	31,264	35,623	37,923	44,520
<b>Surplus/(Deficit) for the year</b>	<b>3,053</b>	<b>1,505</b>	<b>386</b>	<b>2,329</b>	<b>2,441</b>	<b>2,441</b>	<b>779</b>	<b>1,391</b>	<b>(2,061)</b>
<b>Revenue</b>									
Waste management	5,419	6,249	8,036	8,380	8,343	8,343	9,010	9,731	10,510
<b>Expenditure</b>									
Waste management	3,907	10,423	15,133	14,626	15,133	15,133	15,669	16,237	15,750
<b>Surplus/(Deficit) for the year</b>	<b>1,512</b>	<b>(4,174)</b>	<b>(7,097)</b>	<b>(6,246)</b>	<b>(6,790)</b>	<b>(6,790)</b>	<b>(6,659)</b>	<b>(6,505)</b>	<b>(5,240)</b>

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity function. The waste management service is operating at a loss mainly due to the provision for debt impairment.

In 2014/15 financial year the municipality lost 5,399 million units of electricity which equated approximated R3,9 million. The loss was suffered despite having replaced some of the faulty meters. The Electricity Technician has advised that there are many old meters which need to be replaced with smart meters. The municipality has placed an order for new smart meters. Further, the electricity department has attended a seminar on how to reduce electricity losses and it is hoped that this will bear fruits. Further, the Department of Energy has increased its allocation to the municipality and has indicated that it should also be used to upgrade the ageing electricity infrastructure. Based on these initiatives, the electricity loss has been materially reduced in 2016/17 and in the 2017/18 MTREF as shown on Table SA8 on page 87.

- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

**Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - Governance and Administration		9,777	15,430	19,838	20,768	19,838	19,838	8,646	9,488	10,018
Vote 2 - Financial Services		39,730	39,323	51,619	51,482	51,619	51,619	52,772	56,558	62,658
Vote 3 - Corporate Services		11,082	13,077	15,257	14,941	15,257	15,257	19,042	20,288	20,770
Vote 4 - Community and Social Services		4,545	4,725	8,853	9,071	8,853	8,853	14,338	14,517	14,845
Vote 5 - Sports and Recreation		1,503	5,780	3,627	3,627	3,627	3,627	4,822	5,632	5,936
Vote 6 - Public Safety		6,845	5,872	8,235	8,235	8,235	8,235	8,889	9,558	9,695
Vote 7 - Planning and Development		22,221	34,859	54,025	44,099	55,089	55,089	57,151	41,024	42,540
Vote 8 - Roads Transport		6,244	6,713	12,952	13,303	12,952	12,952	14,186	15,342	15,757
Vote 9 - Environmental Protection		318	-	-	-	-	-	-	-	-
Vote 10 - Other		1,744	470	2,060	2,063	2,060	2,060	1,697	1,942	2,028
Vote 11 - Housing		-	431	-	-	-	-	-	-	-
Vote 12 - Electricity Services		27,728	36,176	56,011	46,172	56,011	56,011	61,589	52,660	57,825
Vote 13 - Water Services		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		5,996	7,057	10,593	10,630	10,593	10,593	11,409	12,279	13,208
Total Revenue by Vote	2	137,734	169,914	243,070	224,391	244,134	244,134	254,539	239,286	255,280
Expenditure by Vote to be appropriated	1									
Vote 1 - Governance and Administration		15,373	18,392	15,140	17,480	15,140	15,140	16,261	17,285	18,309
Vote 2 - Financial Services		18,912	26,869	27,133	28,141	27,133	27,133	27,619	28,313	29,150
Vote 3 - Corporate Services		14,423	16,112	25,885	23,634	25,885	25,885	24,470	25,880	27,272
Vote 4 - Community and Social Services		4,405	5,522	17,039	16,720	17,039	17,039	18,279	19,069	19,790
Vote 5 - Sports and Recreation		2,182	3,568	7,070	8,232	7,070	7,070	9,174	9,748	10,333
Vote 6 - Public Safety		7,333	8,249	10,510	10,510	10,510	10,510	11,041	12,021	12,747
Vote 7 - Planning and Development		6,038	10,946	15,971	15,526	15,971	15,971	16,952	17,689	18,041
Vote 8 - Roads Transport		8,457	11,131	17,302	17,242	17,302	17,302	18,533	19,733	20,986
Vote 9 - Environmental Protection		274	-	-	-	-	-	-	-	-
Vote 10 - Other		1,409	945	2,363	2,443	2,363	2,363	3,128	3,323	3,523
Vote 11 - Housing		-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Services		20,313	24,755	31,264	31,376	31,264	31,264	35,623	37,923	44,520
Vote 13 - Water Services		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		3,907	10,423	15,133	14,626	15,133	15,133	15,669	16,237	15,750
Total Expenditure by Vote	2	103,025	136,913	184,811	185,932	184,811	184,811	196,749	207,220	220,420
Surplus/(Deficit) for the year	2	34,709	33,000	58,259	38,459	59,323	59,323	57,790	32,067	34,860

**Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.



**Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	14 051	17 822	25 179	24 732	24 732	24 732	24 732	26 162	27 784	29 423
Property rates - penalties & collection charges		—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	2	23 366	26 260	27 356	33 705	33 705	33 705	33 705	36 402	39 314	42 459
Service charges - water revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2	5 419	6 249	8 036	8 380	8 343	8 343	8 343	9 010	9 731	10 510
Service charges - other		—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		578	616	569	1 456	633	633	633	674	716	758
Interest earned - external investments		1 043	1 605	1 058	1 846	1 846	1 846	1 846	1 968	2 090	2 214
Interest earned - outstanding debtors		3 282	4 055	5 161	5 120	5 120	5 120	5 120	5 458	5 796	6 138
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines		692	378	357	417	414	414	414	441	469	496
Licences and permits		2 143	1 669	1 688	1 860	1 511	1 511	1 511	1 611	1 710	1 811
Agency services		706	845	952	756	756	756	756	806	856	907
Transfers recognised - operational		66 486	71 407	82 725	106 754	106 775	106 775	106 775	105 326	109 254	115 526
Other revenue	2	1 251	998	1 077	905	976	976	976	1 041	1 105	1 170
Gains on disposal of PPE		101	—	3 400	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		119 118	131 904	157 556	185 932	184 811	184 811	184 811	188 899	198 826	211 413
Expenditure By Type											
Employee related costs	2	33 774	36 700	45 237	60 765	62 045	62 045	62 045	66 760	71 300	76 148
Remuneration of councillors		5 997	6 909	7 473	7 762	7 597	7 597	7 597	8 277	8 773	9 299
Debt impairment	3	2 537	7 337	7 254	9 460	9 460	9 460	9 460	10 084	10 302	9 460
Depreciation & asset impairment	2	4 372	4 631	7 857	7 833	7 833	7 833	7 833	8 803	8 333	7 833
Finance charges		765	782	2 895	1 175	1 175	1 175	1 175	1 106	1 204	1 336
Bulk purchases	2	19 039	20 419	21 482	25 052	25 052	25 052	25 052	27 021	29 145	31 436
Other materials	8	6 464	7 554	6 506	10 362	10 725	10 725	10 725	11 798	12 522	16 880
Contracted services		9 157	12 512	16 888	16 935	17 060	17 060	17 060	17 109	18 075	19 142
Transfers and grants		2 691	2 309	2 913	3 039	3 039	3 039	3 039	4 948	4 895	5 336
Other expenditure	4, 5	18 230	37 402	34 881	43 549	40 825	40 825	40 825	40 844	42 670	43 550
Loss on disposal of PPE		—	358	509	—	—	—	—	—	—	—
Total Expenditure		103 025	136 913	153 894	185 932	184 811	184 811	184 811	196 749	207 220	220 420
Surplus/(Deficit)											
		16 093	(5 009)	3 662	—	—	—	—	(7 850)	(8 393)	(9 007)
Transfers recognised - capital		18 616	38 010	55 217	38 459	59 323	59 323	59 323	65 640	40 460	43 867
Contributions recognised - capital	6	—	—	173	—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		34 709	33 000	59 053	38 459	59 323	59 323	59 323	57 790	32 067	34 860
Taxation		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		34 709	33 000	59 053	38 459	59 323	59 323	59 323	57 790	32 067	34 860
Attributable to minorities		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		34 709	33 000	59 053	38 459	59 323	59 323	59 323	57 790	32 067	34 860
Share of surplus/ (deficit) of associate	7	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year		34 709	33 000	59 053	38 459	59 323	59 323	59 323	57 790	32 067	34 860

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R188,9 million in 2016/17 and escalates to R211,4 million by 2018/19. This represents a year-on-year increase of 11.9% by 2018/19 financial year.
2. Revenue to be generated from property rates is R26,2 million in the 2016/17 financial year and increases to R29,4 million by 2018/19 and represents 13.8% of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. The tariff increases have been factored in at 8% for 2016/17 and 6.2% for 2017/18 and 5.9% for 2018/19. The increase of 8% is above the inflation rate of 6.6% and has been made in order to compensate for the decrease in equitable share.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R45,4 million for the 2016/17 financial year and increasing to R52,9 million by 2018/19. For the 2016/17 financial year services charges amount to 24% of the total revenue and slightly increases to 25.1% by 2018/19.



4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The transfers recognised decrease from R106,775 to R105,326 or R1,449 million and comprise 55.8% of the total operating revenue for 2016/17 and decrease slightly to 54.6% by 2018/19.
5. The appropriation for employee salaries and wages for 2016/17 is R66,8 million compared to R62 million in 2015/16, an increase of 7.6% due to budgeting for the annual salary adjustment of 7.6%. The Salary and Wage Collective Agreement for the period 1 July 2015 to 30 June 2018 has come to an end and negotiations are still under way. For the remainder of the 2016/17 MTREF the salary increases have been factored in the budget at 6.8%. The percentage of salaries and wages is 33.9% (2015/16: 33.6%) of the total operating budget.
6. The remuneration of Councillors has been increased by 6% to R8,276 million in 2016/17 from R7,555 million in 2015/16. The approved 2016/17 Upper Limits for Councillors have not yet been gazetted.
7. The budget for bulk purchases of electricity of R27 million has been increased by 7.86% National Treasury Directive in Circular 79. The municipality has submitted a tariff application to NERSA (D-Forms) for 2016/17.
8. The contracted services have remained stable at R17 million in 2016/17 and increase to R19,1 million by 2018/19. The reason for non -ncrease is based on the assumption that certain expenditure will not be required in 2016/17. Contracted services represent 8.7% of the total operating expenditure. The norm is 5%. The above the norm scenario is due to the model of service delivery selected by the municipality.
9. The other expenditure budget amounts R40,8 million in 2016/17 and increase to R43,6 million by 2018/19. This represents a cumulative year-on-year increase of 6.3% by 2015/19. Due to the present unfavourable state of the economy and the reduction in the equitable share, it has been considered prudent to cut down on certain expenditure items. The other expenditure caters for the day to day operations of the Council.

## A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Governance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		14 277	29 664	32 263	26 459	31 759	31 759	31 759	40 779	27 460	28 867
Vote 8 - Roads Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 10 - Other		-	-	-	-	-	-	-	-	-	-
Vote 11 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Services		3 133	8 345	21 091	12 000	22 000	22 000	22 000	24 861	13 000	15 000
Vote 13 - Water Services		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	17 410	38 010	53 353	38 459	53 759	53 759	53 759	65 640	40 460	43 867
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Governance and Administration		91	-	-	-	-	-	-	900	-	-
Vote 2 - Financial Services		80	226	101	502	502	502	502	2 500	-	-
Vote 3 - Corporate Services		130	4 187	2 225	11 076	6 076	6 076	6 076	10 232	150	150
Vote 4 - Community and Social Services		94	-	-	140	140	140	140	350	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		155	-	101	730	730	730	730	550	-	-
Vote 7 - Planning and Development		1 271	148	165	275	10 839	10 839	10 839	-	-	-
Vote 8 - Roads Transport		-	-	-	2 000	2 000	2 000	2 000	36	8 357	5 550
Vote 9 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 10 - Other		-	-	-	-	-	-	-	200	-	-
Vote 11 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Services		-	-	158	1 500	1 500	1 500	1 500	2 000	-	-
Vote 13 - Water Services		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	1 650	1 650	1 650	1 650	-	1 790	-
<b>Capital single-year expenditure sub-total</b>		1 822	4 560	2 750	17 873	23 437	23 437	23 437	16 768	10 297	5 700
<b>Total Capital Expenditure - Vote</b>		19 232	42 570	56 104	56 332	77 196	77 196	77 196	82 408	50 757	49 567
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		301	4 413	2 326	11 563	6 563	6 563	6 563	13 632	150	150
Executive and council		91	-	-	-	-	-	-	900	-	-
Budget and treasury office		80	226	101	502	502	502	502	2 500	-	-
Corporate services		130	4 187	2 225	11 061	6 061	6 061	6 061	10 232	150	150
<b>Community and public safety</b>		250	-	101	870	870	870	870	900	-	-
Community and social services		94	-	-	140	140	140	140	350	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		155	-	101	730	730	730	730	550	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		15 548	29 812	32 427	28 749	44 613	44 613	44 613	40 815	35 817	34 417
Planning and development		15 548	29 812	32 427	26 749	42 613	42 613	42 613	40 779	27 460	28 867
Road transport		-	-	-	2 000	2 000	2 000	2 000	36	8 357	5 550
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		3 133	8 345	21 249	15 150	25 150	25 150	25 150	26 861	14 790	15 000
Electricity		3 133	8 345	21 249	13 500	23 500	23 500	23 500	26 861	13 000	15 000
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	1 650	1 650	1 650	1 650	-	1 790	-
<b>Other</b>		-	-	-	-	-	-	-	200	-	-
<b>Total Capital Expenditure - Standard</b>	3	19 232	42 570	56 104	56 332	77 196	77 196	77 196	82 408	50 757	49 567
<b>Funded by:</b>											
National Government		18 616	27 378	47 181	38 459	43 759	43 759	43 759	58 779	40 460	43 867
Provincial Government		-	10 632	6 172	-	15 564	15 564	15 564	6 861	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	18 616	38 010	53 353	38 459	59 323	59 323	59 323	65 640	40 460	43 867
<b>Public contributions &amp; donations</b>	5	-	-	173	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	4 118	-	13 550	13 550	13 550	13 550	10 800	9 397	4 800
<b>Internally generated funds</b>		616	443	2 577	4 323	4 323	4 323	4 323	5 968	900	900
<b>Total Capital Funding</b>	7	19 232	42 570	56 104	56 332	77 196	77 196	77 196	82 408	50 757	49 567

### Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard

classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2016/17 R65,6 million has been allocated of the total R82,4 million capital budget, which totals 79.6%. This allocation decreases to R40,5 million in 2017/18 and then increase to R43,8 million in 2018/19 owing primarily to the fact that various projects reach completion in 2017/18 hence the spike in expenditure in year three.
3. Single-year capital expenditure has been appropriated at R16,8 million for the 2016/17 financial year and decreases significantly to R10,3 in 2017/18 and R5,7 million is planned for 2018/19.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.



**Table A6 - Budgeted Financial Position**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		529	2,184	4	5	5	5	5	5	5	7
Call investment deposits	1	22,873	11,419	13,134	33,622	10,559	10,559	10,559	19,086	24,606	27,628
Consumer debtors	1	34,174	43,316	55,171	59,412	47,670	47,670	47,670	33,061	23,987	19,729
Other debtors		1,722	8,697	24,344	834	834	834	834	9,546	10,391	11,236
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	138	228	—	—	—	—	—	—	—	—
Total current assets		59,436	65,843	92,652	93,873	59,068	59,068	59,068	61,697	58,990	58,599
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		88,095	88,408	58,795	88,408	58,795	58,795	58,795	58,795	58,795	58,795
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	124,400	159,025	254,741	267,598	316,716	316,716	316,716	380,806	418,440	460,174
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		72	81	54	35	31	31	31	2,008	1,508	1,508
Other non-current assets		78	71	71	71	71	71	71	71	71	71
Total non current assets		212,644	247,585	313,661	356,113	375,613	375,613	375,613	441,680	478,814	520,548
TOTAL ASSETS		272,080	313,428	406,312	449,985	434,681	434,681	434,681	503,377	537,804	579,148
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	2,647	3,281	1,955	6,940	1,847	1,847	1,847	4,253	4,253	5,491
Consumer deposits		1,181	453	400	453	453	453	453	453	453	453
Trade and other payables	4	27,388	29,848	46,614	43,702	47,577	47,577	47,577	49,029	43,833	39,557
Provisions		—	6,917	9,243	—	—	—	—	—	—	—
Total current liabilities		31,216	40,499	58,213	51,094	49,876	49,876	49,876	53,735	48,539	45,501
Non current liabilities											
Borrowing		2,117	3,495	1,736	4,615	5,989	5,989	5,989	4,479	5,537	4,944
Provisions		6,462	6,802	7,418	6,268	6,749	6,749	6,749	7,313	7,428	7,543
Total non current liabilities		8,579	10,297	9,155	10,883	12,738	12,738	12,738	11,793	12,965	12,487
TOTAL LIABILITIES		39,795	50,796	67,368	61,977	62,614	62,614	62,614	65,527	61,504	57,987
NET ASSETS	5	232,285	262,632	338,945	388,008	372,067	372,067	372,067	437,850	476,300	521,160
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		232,285	262,632	338,945	388,008	372,067	372,067	372,067	437,850	476,300	521,160
Reserves	4	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	232,285	262,632	338,945	388,008	372,067	372,067	372,067	437,850	476,300	521,160

**Explanatory notes to Table A6 - Budgeted Financial Position**

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position.
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6 is supported by an extensive table of notes (SA3 which can be found on page 100) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.



5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table A7 - Budgeted Cash Flow Statement**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		9,112	12,889	14,559	23,513	23,513	23,513	23,513	16,482	20,574	24,524
Service charges		25,064	23,510	24,219	33,372	33,372	33,372	33,372	38,827	50,299	51,987
Other revenue		2,674	3,259	3,182	4,772	4,772	4,772	4,772	4,547	4,811	5,090
Government - operating	1	64,132	69,188	82,649	106,754	106,754	106,754	106,754	105,326	109,254	115,526
Government - capital	1	32,596	33,714	52,314	38,459	52,959	52,959	52,959	65,640	40,460	43,867
Interest		4,325	5,660	6,219	1,846	1,846	1,846	1,846	7,385	7,813	8,266
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(105,893)	(115,180)	(118,700)	(150,972)	(149,852)	(149,852)	(149,852)	(148,554)	(175,977)	(189,309)
Finance charges		(765)	(782)	(2,895)	(1,175)	(1,175)	(1,175)	(1,175)	(1,106)	(1,204)	(1,336)
Transfers and Grants	1	-	(2,309)	(2,913)	(3,039)	(3,039)	(3,039)	(3,039)	(4,948)	(4,895)	(5,336)
NET CASH FROM/(USED) OPERATING ACTIVITIES		31,246	29,948	58,634	53,530	69,150	69,150	69,150	83,600	51,134	53,280
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		281	42	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		688	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(2,009)	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(19,365)	(41,826)	(56,104)	(56,332)	(76,132)	(76,132)	(76,132)	(74,658)	(45,467)	(49,567)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(20,405)	(41,784)	(56,104)	(56,332)	(76,132)	(76,132)	(76,132)	(74,658)	(45,467)	(49,567)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(907)	207	61	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	4,570	90	13,550	13,550	13,550	13,550	3,050	4,107	4,800
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(2,707)	(2,740)	(3,145)	(6,940)	(9,142)	(9,142)	(9,142)	(3,470)	(4,253)	(5,491)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3,614)	2,037	(2,994)	6,610	4,408	4,408	4,408	(420)	(146)	(691)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	16,175	23,402	13,602	29,818	13,137	13,137	13,137	10,564	19,086	24,606
Cash/cash equivalents at the year end:	2	23,402	13,603	13,137	33,627	10,564	10,564	10,564	19,086	24,606	27,628

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Cash and cash equivalents totals R19 million as at the end of the 2016/17 financial year and escalate to R21,6 million by 2018/19.
4. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

**Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	23,402	13,603	13,137	33,627	10,564	10,564	10,564	19,086	24,606	27,628
Other current investments > 90 days		–	–	–	(0)	0	0	0	0	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>23,402</b>	<b>13,603</b>	<b>13,137</b>	<b>33,627</b>	<b>10,564</b>	<b>10,564</b>	<b>10,564</b>	<b>19,086</b>	<b>24,606</b>	<b>27,628</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		6,043	6,863	11,098	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	2,345	–	4,445	–	–	–	–	–	–
Other working capital requirements	3	(24,504)	(14,385)	(11,895)	(8,778)	5	5	5	10,443	14,091	12,583
Other provisions		3,862	10,875	7,418	6,268	6,749	6,749	6,749	7,313	7,428	7,543
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>(14,600)</b>	<b>5,898</b>	<b>6,621</b>	<b>1,935</b>	<b>6,754</b>	<b>6,754</b>	<b>6,754</b>	<b>17,756</b>	<b>21,519</b>	<b>20,126</b>
<b>Surplus(shortfall)</b>		<b>38,002</b>	<b>7,905</b>	<b>6,516</b>	<b>31,692</b>	<b>3,810</b>	<b>3,810</b>	<b>3,810</b>	<b>1,330</b>	<b>3,087</b>	<b>7,502</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
3. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
4. From the table it can be seen that for the period 2016/17 the surplus increased to R4,6, million and R7,5 million by 2018/19.
5. The municipality has assumed that all conditional grants will be fully spent at year end.
6. All statutory obligations are settled before the end of each accounting period. Monies due/owing in respect of Value-added tax are included in trading creditors and creditors respectively.
7. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/17 MTREF is funded in spite of the reduction in the surplus.



Table A9 - Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	19,232	42,570	–	53,742	74,605	74,605	81,476	47,708	45,817
Infrastructure - Road transport		14,277	19,177	–	18,171	23,471	23,471	17,400	27,460	28,867
Infrastructure - Electricity		3,133	10,399	–	13,500	23,500	23,500	26,861	13,000	15,000
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		17,410	29,576	–	31,671	46,971	46,971	44,261	40,460	43,867
Community		–	1,559	–	8,288	13,852	13,852	23,379	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	1,822	11,435	–	13,783	13,783	13,783	13,836	7,248	1,950
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	–	–	–	2,590	2,090	2,090	932	3,059	3,750
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	2,590	2,090	2,090	932	3,059	3,750
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>	4	14,277	19,177	–	18,171	23,471	23,471	17,400	27,460	28,867
Infrastructure - Road transport		3,133	10,399	–	13,500	23,500	23,500	26,861	13,000	15,000
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		17,410	29,576	–	31,671	46,971	46,971	44,261	40,460	43,867
Community		–	1,559	–	8,288	13,852	13,852	23,379	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	1,822	11,435	–	16,373	15,873	15,873	14,768	10,307	5,700
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	19,232	42,570	–	56,332	76,695	76,695	82,408	50,767	49,567
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	72,933	90,172	107,269	65,300	134,500	134,500	167,004	190,026	214,474
Infrastructure - Electricity		19,356	29,521	39,880	29,844	93,408	93,408	81,168	92,057	104,779
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		92,288	119,693	147,148	95,145	227,908	227,908	248,172	282,084	319,253
Community		–	–	–	–	–	–	–	–	–
Heritage assets		78	71	71	71	71	71	71	71	71
Investment properties		88,095	88,408	58,795	88,408	58,795	58,795	58,795	58,795	58,795
Other assets		32,034	39,281	107,592	83,939	88,808	88,808	132,634	136,356	140,921
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		72	81	54	35	31	31	2,008	1,508	1,508
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	212,567	247,534	313,661	267,598	375,613	375,613	441,680	478,814	520,548
EXPENDITURE OTHER ITEMS										
<u>Depreciation &amp; asset impairment</u>	3	4,372	4,631	7,857	7,833	7,833	7,833	8,803	8,333	7,833
<u>Repairs and Maintenance by Asset Class</u>		8,382	11,127	10,372	18,349	18,712	18,712	20,427	21,735	26,713
Infrastructure - Road transport		6,303	6,300	5,947	11,362	11,312	11,312	12,119	12,910	13,734
Infrastructure - Electricity		1,069	1,252	1,131	2,794	2,894	2,894	3,125	3,319	7,147
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		7,372	7,552	7,079	14,156	14,206	14,206	15,245	16,229	20,881
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	1,010	3,576	3,293	4,192	4,506	4,506	5,182	5,506	5,832
TOTAL EXPENDITURE OTHER ITEMS		12,754	15,758	18,228	26,182	26,545	26,545	29,230	30,067	34,546
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	4.6%	2.7%	2.7%	1.1%	6.0%	7.6%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	33.1%	26.7%	26.7%	10.6%	36.7%	47.9%
R&M as a % of PPE		6.7%	7.0%	4.1%	6.9%	5.9%	5.9%	5.4%	5.2%	5.8%
Renewal and R&M as a % of PPE		4.0%	4.0%	3.0%	8.0%	6.0%	6.0%	5.0%	5.0%	6.0%



### **Explanatory notes to Table A9 - Asset Management**

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations due to the following:

- The municipality has cash resources challenges.
- There is a huge backlog of roads and electricity infrastructure that the municipality has prioritised for 2016/17 MTREF which requires a significant portion of available cash resources.

**Table A10 - Basic Service Delivery Measurement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	3,452	3,660	3,660	3,660	3,660	3,660	3,660	3,660	1,830
Piped water inside yard (but not in dwelling)	20,140	21,348	21,348	21,348	21,348	21,348	21,348	21,348	10,674
Using public tap (at least min service level)	4,028	4,270	4,270	4,270	4,270	4,270	4,270	4,270	2,135
Other water supply (at least min service level)	6,904	7,320	7,320	7,320	7,320	7,320	7,320	7,320	3,660
<i>Minimum Service Level and Above sub-total</i>	34,524	36,598	36,598	36,598	36,598	36,598	36,598	36,598	18,299
Using public tap (< min service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min service level)	23,018	24,396	24,396	24,396	24,396	24,396	24,396	24,396	12,198
No water supply	2	2	2	2	2	2	2	2	1
<i>Below Minimum Service Level sub-total</i>	23,020	24,398	24,398	24,398	24,398	24,398	24,398	24,398	12,199
<b>Total number of households</b>	<b>57,544</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>30,498</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	5,178	5,490	5,490	5,490	5,490	5,490	5,490	5,490	2,745
Flush toilet (with septic tank)	1,726	1,720	1,720	1,720	1,720	1,720	1,720	1,720	915
Chemical toilet	3,452	3,410	3,410	3,410	3,410	3,410	3,410	3,410	1,830
Pit toilet (ventilated)	6,330	6,348	6,348	6,348	6,348	6,348	6,348	6,348	3,355
Other toilet provisions (> min service level)	13,812	14,161	14,161	14,161	14,161	14,161	14,161	14,161	7,319
<i>Minimum Service Level and Above sub-total</i>	30,498	31,129	31,129	31,129	31,129	31,129	31,129	31,129	16,164
Bucket toilet	576	478	478	478	478	478	478	478	305
Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	26,046	26,576	26,576	26,576	26,576	26,576	26,576	26,576	14,029
<i>Below Minimum Service Level sub-total</i>	27,046	27,054	27,054	27,054	27,054	27,054	27,054	27,054	14,334
<b>Total number of households</b>	<b>57,544</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>30,498</b>
<b>Energy:</b>									
Electricity (at least min service level)	16,700	17,702	17,702	17,702	17,702	17,702	17,702	17,702	17,702
Electricity - prepaid (min service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	16,700	17,702	17,702	17,702	17,702	17,702	17,702	17,702	17,702
Electricity (< min service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)	-	-	-	-	-	-	-	-	-
Other energy sources	12,072	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
<i>Below Minimum Service Level sub-total</i>	12,072	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
<b>Total number of households</b>	<b>28,772</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>
<b>Refuse:</b>									
Removed at least once a week	4,547	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
<i>Minimum Service Level and Above sub-total</i>	4,547	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>4,547</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitre per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitre per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>									
<b>Total cost of FBS provided</b>	-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)	-	-	-	-	-	-	-	-	-
Water (kilolitre per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (kilolitre per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	-	-	-	-	-	-	-	-	-
Refuse (average litres per week)	-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>									
Property rates (brill adjustment) (impermissible values per section 17 of MPRA)	-	-	-	1,568	-	-	-	2,090	2,211
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitre per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	-	-	-	1,568	-	-	-	2,090	2,211

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The Municipality continues to make good progress with the eradication of backlogs:

- a. Electricity services – backlog will be reduced significantly in 2016/17. As indicated elsewhere, the emphasis in the electricity sector is on providing electricity infrastructure to the uPhongolo households. Once the most pressing electricity backlog has been addressed, the electricity distribution network will be prioritised. It is pleasing to note that out of 14 wards in uPhongolo area only 1 ward is still to be electrified. The contractors are on site and the project will be completed in 2016/17 and thereafter the issue of infills will have to be addressed.
  - b. Refuse services – This function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs. In 2014/15 the municipality acquired its own refuse removal truck to improve service delivery.
2. The budget provides for 8 000 households to be registered as indigent in 2016/17, and therefore entitled to receiving Free Basic Services. The number is set to increase to 8 300 households by 2018/19 given the unfavourable economic conditions.
3. It is anticipated that these Free Basic Services will cost the municipality R4,9 million in 2016/17, increasing to R5,3 million in 2018/19. This is fully covered by the municipality's equitable share allocation from national government.
4. Currently, the 'free services' represent about 2.5% of total operating expenditure in 2016/17. The present scenario is not acceptable given the large number of indigent households in uPhongolo.

# **PART 2**

## **SUPPORTING**

### **DOCUMENTATION**



## 2.1 Overview of the annual budget process

### 2.1.1 Overview

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The budget process is an effective process that every local government must undertake to ensure good governance and accountability. The process outlines the current direction that the municipality would follow in order to meet legislative requirements.

Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of budget. Chapter 2 of the Municipal Budget and Reporting Regulations states that the mayor of the municipality must establish a Budget Steering Committee to provide assistance to the mayor in terms of the responsibilities set out in section 53 of the MFMA.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required time schedule.

The key dates to the process were:

- **July 2015** – Submission of Draft Process Plan to Cogta.
- **August 2015** – Approval of budget preparation timetable by council.
- **August 2015** – Submission of annual financial statements to Auditor General for 2015/16 financial year.
- **September 2015** – Submission of final Process Plan to Cogta.
- **December 2015** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2016** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2016** - Council considers the 2015/16 Mid-year Review and Adjustments Budget;
- **February 2016** – Submit adjustments budget to Council and revise SDBIP.
- **February 2015** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2016** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2015/16 MTREF is revised accordingly;
- **March 2016** - Tabling in Council of the draft 2016/17 IDP and draft 2016/17 MTREF for public consultation;
- **April 2016** – Advertise and publish draft IDP for public comments and submit to National and Provincial Treasury.

- **April 2016** – Prepare SDBIP for 2016/17 and submit to National and Provincial Treasury.
- **May 2016** - Closing date for written comments;
- **May 2016** – Finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2016** - Tabling of the 2016/17 MTREF and IDP before Council for consideration and approval.
- **June 2016** – Advertise final IDP and advertise of Municipal website.
- **June 2016** – Advertise 2016/17 MTREF budget on Municipal Website.
- **June 2016** – Submit final IDP and SDBIP to Cogta, National and Provincial Treasury.
- **June 2016** – Submit approved budget to National and Provincial Treasury.
- **July 2016** – Submission of draft performance agreements and plans.
- Publication of SDBIP, performance agreements and performance indicators.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

This is the fourth review of the IDP as adopted by Council in May 2013. The review started in September 2015 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/17 MTREF in August 2015.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2015/16 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and

third quarter performance against the 2015/16 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2015/16 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Back to basics to improve service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The draft 2016/17 MTREF as tabled before Council on 30 March 2016 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2016/17 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

## **2.2 Overview of alignment of annual budget with IDP**

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The IDP developed by the municipality aims at building a foundation for economic growth which is supported by the implementation of the National Development Plan (NDP). This is evidenced by a significant budget allocated to the development of the infrastructure as well Local Economic Development (LED). The municipality has a clear understanding of both national and provincial intent which will enable the municipality to strategically comply with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The National Development Plan identified a number of microeconomic reforms needed to boost economic growth and include amongst others:

- reducing cost of living for poor households;
- reducing cost of doing business;
- support for small, medium and micro enterprises (SMMEs), business start-ups, a greener and more sustainable economy; and
- support for local production, employment through government procurement and broadening and strengthening industrial development.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development plan. Therefore the budget must link to the IDP to enable the municipality to conduct its affairs in a manner which is consistent with its IDP.

### **2.2.1 IDP Strategic Objectives**

The annual budget is linked to the four (4) main strategic goals which are:

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.



Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water; and
  - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective city cleansing;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
  - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

### 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2016/17 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## **2.3 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system which is constantly refined as the integrated planning process unfolds.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

Supporting Table SA7 provides the main measurable performance objectives the municipality undertakes to achieve this financial year. Refer to IDP/SDBIP for detailed measurable performance indicators.

Supporting Table SA8 sets out the municipality's main performance objectives and benchmarks for the 2016/17 MTREF.

### **2.3.1 Performance indicators and benchmarks**

#### **2.3.1.1 Borrowing Management**

The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The uPhongolo Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

The structure of the Municipality's debt portfolio is dominated by loans and finance leases. The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- *Capital charges to operating expenditure* is a measure of borrowing cost in relation to the operating expenditure and assesses the affordability of debt expenditure.

It can be seen that the cost of borrowing has steadily increased from 2.3% in 2016/17 to 3.1% in 2018/19. This increase can be attributed to the new lease agreement to fund the acquisition of machinery and vehicles. The norm is 6%-8%. Clearly the municipality is

operating below the norm which indicates that it has capacity to take on additional financing from borrowing to invest in infrastructure projects.

Although borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as excessive loans may have adverse financial leverage for the municipality.

*Capital charges to own revenue* measures the municipality's prioritization of resources and indicates the cost required to service external interest and redemption versus available funds. The ratio steadily increases from 5.5% in 2016/17 to 7.1% in 2018/19. The increase is attributable to the raising of external loans. Since the percentage is below the norm of 6 per cent, the municipality has capacity to take on additional financing to invest in other projects.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF remains stable and range from 18.2% in 2016/17 to 84.2% in 2018/19.

The Municipality has not raised substantial debt in the past three years. Debt service costs are expected to increase in 2016/17 due to the fact that the municipality plans to raise new loans in the 2016/17 MTREF.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

#### 2.3.1.2 Safety of Capital

*The gearing ratio* is a measure of the total long term borrowings over funds and reserves. In 2016/17 the gearing ratio is 0% throughout the 2016/17 MTREF. The ratios are relatively low and this is primarily due to low borrowings in relation to own funds.

#### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. The norm is 2:1 and ratio should not decrease below 1 otherwise the municipality will be at risk to finance operations.

For the 2016/17 MTREF the current ratio is 1:1 in 2016/17; 1.2:1 in 2017/18 and 1.3:1 in 2018/19. The norm range is between 1 and 3. The ratio for the 2016/17 MTREF indicates that the municipality will have difficulties in paying all its current or short term obligations when they fall due should the cash flow decrease. Going forward it will be necessary to improve the liquidity levels.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle current liabilities immediately. The municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the



Municipality. As part of the longer term financial planning objectives this ratio will have to be maintained at a minimum of 1.

#### 2.3.1.4 Revenue Management

As part of the financial viability strategy to ensure the municipality remains sustainable, revenue management and debt collection is critical. An aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

- *Annual debtors' collection rate (payment levels)* indicates the municipality's projected collection rate, debtor level payments as a percentage of revenue billed. It is projected that the collection rate over the 2016/17 MTREF will be 77.2% due to the high rate of unemployment in the uPhongolo Area.
- *Outstanding debtors to revenue* measures the percentage of debtors not collected from annual billed revenue. The higher the percentage, the more billed revenue is likely to remain uncollected for the period. The ratio for outstanding debtors to revenue in 2014/15 was 50.5% which indicates that half of billed revenue was not collected. This scenario is not acceptable and more effort is required to ensure that recoverable receivables are indeed collected lest the municipality will find itself unable to honour its commitments.

#### 2.3.1.5 Creditors Management

The Municipality has managed to ensure that most of the trade creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a least 98% compliance rate has been achieved. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

#### 2.3.1.6 Other Indicators

- *Electricity distribution losses* indicate the percentage loss of potential revenue through the sale of electricity when compared to units of electricity purchased.

The electricity losses are extremely high and have averaged 18.5% in the past three years. In 2014/15 electricity losses amounted to 5,3 million kwh approximating R3 975 million in lost revenue despite having replaced some of the faulty meters. The municipality has embarked on a process to audit and verify all electricity meters. Further, endeavours are being made to establish other factors contributing to the loss.

- *Employee costs* as a percentage of operating revenue (excluding capital revenue) remained stable at 33.3% up to 2014/15 and slightly increase to 33.6% in 2015/16 and moderately peaked to 35.3% during the 2016/17 MTREF.
- *Remuneration* as a percentage of operating revenue remains stable over the MTREF at 39.7%.

- Repairs and maintenance as percentage of operating revenue is increasing owing directly to cost drivers such as the increasing written down values of assets (WDV). In terms of Treasury Circular 66 the budget for repairs and maintenance should at least be 8 per cent of the WDV. The repairs and maintenance rate is 10%.8 in 2016/17 and 12.6% by 2018/19. This rate has been arrived at by excluding the value of land from the written down value of total assets. Note land does not depreciate.

#### 2.3.1.7 IDP regulation financial viability indicators

In terms of the Local Government Municipal Planning and Performance Management Regulation, 2001, the following three (3) key performance indicators must be in the municipal performance management plan to express financial viability:

- *Debt coverage* measures the number of times debt payments are covered by operating revenue (excluding grants) and indicates the ease with which debt payments can be accommodated within a period. The coverage ratio is 6.9 times in 2016/17 and is expected to increase to 7 times in 2018/19.
- *Outstanding service debtors' to revenue ratio* is an indication of what percentage of revenue is outstanding owing by service debtors. This measures the municipality's effectiveness of its credit control and debt collection policy. The lower the ratio, the more effective is the municipal revenue management. The ratio has been increasing in the past three years and stood at 130.1% in 2014/15. It is projected to decrease to 59% in 2016/17.
- *Cost coverage* measures the ability to meet at least its monthly fixed operating commitments from cash reserves if no revenue is collected during that month. The higher the ratio, the higher is the municipality's safety net to provide services and minimise the risk of insufficient cash to fund operations. The ratio informs that the municipality will have sufficient cash for 1 month to fund operations. More needs to be done to increase the municipality's cash reserves.

#### 2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2016/17 financial year 8,000 registered indigents have been provided for in the budget with this figured increasing to 8,300 by 2018/19.

In terms of the Municipality's indigent policy registered households are entitled to:

- 50 kWh of electricity at a cost of R45 per household per month;
- 80% waste removal at a cost of R per household per month; and
- 100% rebate on the value of property for property rates purposes.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) on page 42.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

## **2.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The purpose of budget-related and financial purposes is to provide a sound environment to manage the financial actions of the municipality with relevant legislation framework.

The previous year's adopted policies were reviewed as part of the budget compilation process and will be approved by Council in May 2016.

The following are key budget-related policies:

### **2.4.1. Review of credit control and debt collection procedures/policies**

This policy is required in terms of section 96 of the Municipal Systems Act, 32 of 2000 to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for services supplied.

While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to ensure that it is in concert with the Municipal Systems Act.

### **2.4.2. Asset Management, Infrastructure Investment and Funding Policy**

This policy has the purpose to prescribe the accounting and administrative procedures relating to property, plant and equipment (assets). This policy was not reviewed during the current year.

### **2.4.3. Budget Policy**

This policy captures the principles which must be followed in preparing a medium term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

### **2.4.4. Budget and Virement Policy**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The reviewed Budget and Virement Policy was approved by Council on 30 March 2016 in respect of both Operating and Capital Budget Fund Transfers.

### **2.4.5. Borrowing Policy**

The purpose of the policy is to establish a borrowing framework for the municipality and to set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds in order to:

- Manage interest rate and credit risk exposure;
- Maintain debt within specified limits and ensure adequate provision for the repayment of debt; and
- Ensure compliance with all legislation and Council policy governing borrowing of funds.

### **2.4.6. Cash Management and Investment Policy**

The Municipality's reviewed Cash Management and Investment Policy was approved by Council on 30 March 2016. The aim of the policy is to ensure that the Municipality's surplus cash and

investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

#### **2.4.7. Petty Cash Policy**

This policy governs the issuing of petty cash in terms of the supply chain management policy and the effective utilisation of petty cash according to authorised processes only.

#### **2.4.8. Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in July 2006 and was last review in December 2013 to take into account the new regulations. An amended policy was considered by Council in December 2013 and reviewed in March 2015.

#### **2.4.9. Tariff Policies**

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Tariff Policy; and
- Indigent Policy.

The policies mentioned above were approved by Council on 30 March 2016.

### **2.5 Overview of budget assumptions**

#### **2.5.1 External factors**

South Africa faces exceptionally difficult global and domestic economic conditions over the next several years. Deteriorating global conditions expose the depth of South Africa's external vulnerabilities and the internal constraints that limit its potential for growth.

The 2016 budget review informs that the global outlook for economic growth is subdued, weighed down by a prolonged slump in commodity prices and slower growth in China. There is a pronounced slowdown in developing countries, with some in deep recession. South Africa's low savings rate makes the country vulnerable to external shocks, as do domestic structural weaknesses.

South Africa's GDP growth has fallen behind the rate of population increase, resulting in declining per capita incomes. In other words, the average South African is becoming poorer.

Domestic growth forecasts over the medium term – government's three-year budgeting window – have been revised down. The National Treasury projects GDP growth of 0.9% in 2016, improving gradually to 1.7% in 2017 and 2.4% in 2018. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, pose some risk to the inflation outlook. Furthermore, the electricity supply shortages pose the largest domestic risk to growth.



Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

### 2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's communities and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration. Employee related costs comprise 33% of total operating expenditure in the 2016/17 MTREF. The Salary and Wage Collective Agreement SALGBC for the period 01 July 2015 to 30 June 2018 has been concluded. The employee cost for 2016/17 has been budgeted for at 7.6% (inflation linked) and for 2017/18 to 2018/19 at expected CPI plus additional 1%.

Economic Indicators	Basis of Projection	2016/2017	2017/2018	2018/2019
Projected CPI	MFMA Circular 78	6.6%	6.2%	5.9%
Economic growth (GDP)	Budget Review 2016	1.2%	1.9%	2.5%
Bulk electricity purchases	MFMA Circular 78	7.86%	6.8%	6.8%
Employment related cost	CPI + 1%	7.6%	6.8%	6.8%

### 2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality has engaged financial institutions through a tender process to minimise its interest rate risks by providing fixed rates for loans and lease agreements. However, for the 2016/17 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates.

### 2.5.4 Collection rate for revenue services

The base assumption is that tariffs increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently at 77.2% of annual billings. Cash flow collection is projected to come under pressure considering the current economic outlook. Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

#### **2.5.5 Salary increases**

The collective agreement regarding salaries/wages was entered into with SALGA and came into operation on 1 July 2015 and will end on 30 June 2018.

#### **2.5.6 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture;
- Fighting crime and corruption; and
- Economic growth.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

#### **2.5.7 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 100% will be achieved on operating expenditure and capital programme for the 2016/17 MTREF of which performance has been factored into the cash flow budget.

### **2.6 Overview of budget funding**

#### **2.6.1 Medium-term outlook: operating revenue**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal as well as property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of at least 98% annual collection rate for consumer revenue;
- National Treasury guidelines;

- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

No developments are taking place in uPhongolo. As the levying of property rates is considered a strategic revenue source, a further supplementary valuation process will be undertaken in the 2016/17 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, and refuse removal constitute the biggest component of the revenue basket of the Municipality. It is not expected that revenue from this services will grow exponentially as there are no new developments taking place.

Operational grants and subsidies are a major source of operating revenue. It needs to be noted that in real terms the grants receipts from national and provincial government have decreased in 2016/17 and grow slightly in the two outer years of the MTREF.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R1,9 million, R2,1 million and R2,2 million for the respective three financial years of the 2016/17 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

Investment particulars are reflected in supporting Table SA15 and SA16 and the projected investments at end of the 2016/17 financial year is R19 million.

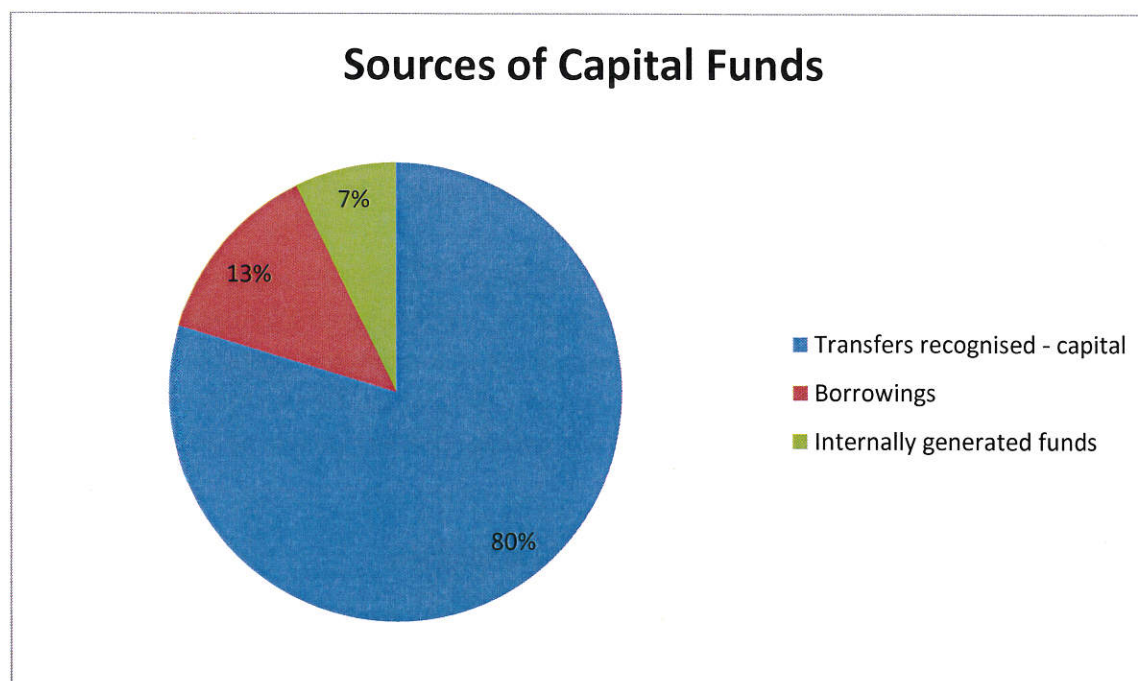
## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

### Sources of capital revenue over the MTREF

Description	2016/17 Medium Term Revenue & Expenditure Framework							
	Adjusted Budget 2015/16	%	Budget Year 2016/17	%	Budget Year 2017/18	%	Budget Year 2018/19	%
<b>Funded by:</b>								
National Government	43 759 000	56.7	58 779 000	78.7	40 460 000	89.0	43 867 000	88.5
Provincial Government	15 564 000	11.6	6 861 000	9.2	-	-	-	-
Transfers recognised – capital	59 323 000	68.3	65 640 000	87.9	40 460 000	89.0	43 867 000	88.5
Borrowings	13 550 000	24.1	10 800 000	4.1	9 397 000	9.0	4 800 000	9.7
Internally generated funds	4 322 500	7.6	5 968 000	8.0	900 000	2.0	900 000	1.8
<b>Total Capital Funding</b>	<b>77 195 500</b>	<b>100.0</b>	<b>82 408 000</b>	<b>100.0</b>	<b>50 757 000</b>	<b>100.0</b>	<b>49 567 000</b>	<b>100.0</b>

The above table is graphically represented as follows for the 2016/17 MTREF.



**Figure 3 Sources of capital revenue for the 2016/17 financial year**

Capital grants and receipts equates to 80% of the total funding source for the 2016/17 financial year.



Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R10,800 million to be raised in 2016/17 or 13% of the total funding sources. As explained earlier, the borrowing capacity of the Municipality has not yet reached its limits and there is still room for additional borrowings. However, further borrowings should be carefully considered against the level of cash resources. At this stage more borrowings than budgeted for should not be considered as this might adversely affect the solvency of the municipality.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R5,968 million in 2016/17.

Detailed borrowings are reflected in supporting schedule Table SA17. Supporting Tables SA18 and SA19 provide details on capital transfers and receipts and expenditure on grant programmes. The Municipal Infrastructure Grant remains the main capital grant received.

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Supporting Table A7 reflects the cash flow statement for the 2016/17 MTREF.

The above table shows that cash and cash equivalents of the Municipality improve in 2015/16 and throughout the two outer years. The Municipality plans to undertake an extensive debt collection process to boost cash levels and has acquired the services of a reputable debt collecting firm. It is expected the interventions will translate into a positive cash position for the Municipality and it is projected that cash and cash equivalents on hand will increase to R30,6 million by 2018/19.

### 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?

- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'.

## **Funding compliance measurement**

### ***Cash/cash equivalent position***

Cash flow management is a critical in determining if the budget is funded over the medium term. National Treasury requires that the financial sustainability of the municipality is assessed to ensure financial viability. Supporting Table A10 essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2016/17 MTREF shows R19 million, R24,6 million and R27,6 million for each respective financial year.

### ***Cash plus investments less application of funds***

The purpose of this measure is to understand how the municipality has applied the available cash and investments. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A25, on page 25.

### ***Monthly average payments covered by cash or cash equivalents***

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. For the 2016/17 MTREF the ratio remains constant at 3.8. As indicated above the Municipality aims to achieve at least 1.5 month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

#### ***2.6.4.1 Surplus/deficit excluding depreciation offsets***

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed over the medium term. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2016/17 MTREF the indicative outcome is a deficit of R7,8 million, R8,4 million and R million respectively.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective.

#### *2.6.4.2 Service charge revenue as a percentage increase*

This measure is based on the increase in revenue, which will include both the change in the tariff as well as any assumption about real growth.

From the table it can be seen that the percentage growth totals 8% throughout the 2016/17 MTREF.

#### *2.6.4.3 Cash receipts as a percentage of ratepayer and other revenue*

This measure is intended to analyse the underlying assumed collection rate for the 2016/17 MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 77.2% performance target, the cash flow statement has been conservatively determined.

#### *2.6.4.4 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 14% in 2016/17 and 11.5% in 2018/19.

#### *2.6.4.5 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that no timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to meet the commitments in the relevant accounting period.

#### *2.6.4.6 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 64% capital expenditure.

#### *2.6.4.7 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

#### *2.6.4.8 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. This measure shows a relatively low trend which is not in line with the Municipality's policy of settling debtors accounts within 30 days.

#### *2.6.4.9 Repairs and maintenance expenditure level*

This measure indicates the percentage of committed asset repairs to property, plant and equipment. The details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table SA 34C on page 89. National Treasury requires that the repairs

and maintenance be equal to at least 8% of the carrying value of property, plant and equipment. Repairs and maintenance equates 6.6% in 2016/17 and remains 6.6% in 2018/19.

#### **2.6.4.10 Asset renewal/rehabilitation expenditure level**

The objective of this measure is to understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected. Further details in this regard are contained in Table 51 SA34b on page 88.

## **2.7 Grant allocations to the municipality**

All national allocations to local government are published in the Division of Revenue Bill, 2016 for the next three years, whilst provincial allocations for part of the provincial budgets.

Supporting tables SA 18, SA 19 and SA 20 provide details of planned grant receipts and expenditure against each allocation and grant received. The following grants have been allocated to the municipality.

<b>Transfers and grant allocations</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	R	R	R
Equitable Share	97 800 000	104 530 000	110 401 000
Finance Management Grant	1 825 000	1 900 000	2 155 000
Municipal Integrated Grant	27 136 000	28 905 000	30 386 000
Municipal Integrated Grant – Ncotshane Sports field	15 000 000	-	-
Integrated National Electricity Programme Grant	18 000 000	13 000 000	15 000 000
Massification Electricity Programme	6 861 000	-	-
Expanded Public Works Programme Grant	3 021 000	-	-
<b>TOTAL</b>	<b>169 643 000</b>	<b>148 335 000</b>	<b>157 942 000</b>

## **2.8 Allocations or grants made by the municipality**

Supporting Table SA 21 provides detail on provisions made by Council to other organisations in terms of the conditions of the grants-in-aid policy and specific Council resolutions. This includes the provision of free basic electricity and rebates and or exemptions in terms of the Property Rates Act.

The provision for free basic services to indigent households amounts to R4,9 million in 2016/17 and R4,9 million and R5,3 million in the two outer years of the MTREF respectively.



## **2.9 Councillor and employee benefits**

Supporting Table SA 22; SA 23 and SA 24 provide the proposed cost to councilors, salaries, allowances and benefits as well as planned personnel numbers for:

- councilors of the municipality;
- municipal manager and senior managers; and
- other municipal staff.

Councillor remuneration amounts to R8 and employee-related costs to R67 million for the 2016/17 financial year. The total of councillors' remuneration and employee-related costs is R75 million for 2016/17 financial year and equates to 38.1% of budgeted operating expenditure. The norm as per National Treasury is 40% and below.

The total number of personnel has remained at 252 in 2016/17. Presently no intake of new employees is anticipated unless the current economic situation improves during the budget year.

### **2.10 Monthly target for revenue, expenditure and cash flow**

Supporting Table SA 25 and SA 27 disclose the monthly targets for operating revenue by source, operating expenditure by type as well as a consolidated projection of revenue and expenditure by vote, whilst supporting Table SA 29 provides monthly projections for capital expenditure by vote. All these schedules have been included in the annual budget and SDBIP for each department.

The SDBIP includes the detailed capital budget by programme and shows each capital project associated within the programme and indicates the planning for each project.

Supporting Table SA 30 provides a consolidated projection of cash flow for the budget setting out receipts by source and payments by type, both operating and capital broken down per month for the budget year and also shown in total the following two (2) years.

The final SDBIP will be submitted for approval no later than fourteen (14) days after the approval and adoption of the annual budget.

### **2.11 Contracts having future budgetary implications**

There are four (4) long-term contracts which will impose financial obligations beyond three (3) years. These contracts are for insurance, maintenance of landfill site; and maintenance of electricity infrastructure.

### **2.12 Capital expenditure details**

Supporting Table SA 34 discloses capital expenditure by asset class and Table SA 36 provides a list of capital programmes and projects aligned to the goals of the integrated development plan. Refer also supporting Table SA 6 for reconciliation with IDP strategic objectives.

From these tables it can be seen that 87.9% of capital expenditure is allocated for infrastructure development and service delivery, and 12.1% on other assets such as vehicles, and plant and equipment.

The planned capital projects for the next three years are contained in Table SA 36 and SA 37 of which the critical projects are:

<b>Capital Projects</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Access roads	17 400 000	22 881 000	28 867 000
Community halls	5 000 000	-	-
Sports facilities	16 779 000	3 910 000	-
Creches	1 600 000	669 000	-
Electrification of households including infills	24 861 000	13 000 000	15 000 000
	<b>65 640 000</b>	<b>40 460 000</b>	<b>43 867 000</b>

These projects constitute 79.6% of total capital expenditure planned over the 2016/17 MTREF. The implementation of these projects must be fast-tracked and progress monitored monthly.

### **2.13 Legislation compliance status**

The municipality is fully committed to promote and seek to implement the basic values and principles of public administration described as per section 195(1) of the Constitution.

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in May 2016 and is directly aligned and informed by the 2016/17 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

### **2.14 Other supporting documents**

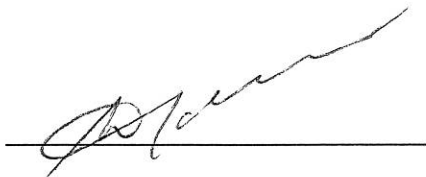
Other supporting documents included in the budget are:

- Supporting detail to budgeted – budgeted financial performance – supporting Table SA 1 – this table provides detail on specific revenue and expenditure items.

- Matrix on financial performance budget – supporting Table SA 2 – this table provides detail on revenue by source and expenditure by type for the various main departments in the municipality.
- Supporting detail to statement of financial position – supporting Table SA 3 which provides detail on the various financial position items.
- Supporting detail on social, economic and demographic statistics and assumptions – supporting Table SA 9 – this table provides a high level overview of the demographics of the municipality.

#### **2.15 Municipal Manager's quality certificate**

I M M Ndlela, municipal manager of uPhongolo Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

A handwritten signature in black ink, appearing to read 'M M Ndlela', is written over a horizontal line.

**M M Ndlela**

**Municipal Manager of uPhongolo Municipality (KZN262)**

Table 56 SA1 - Supporting detail to budgeted financial performance

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<b>REVENUE ITEMS:</b>										
<b>Property rates</b>										
Total Property Rates	14,051	17,822	25,179	26,299	24,732	24,732	24,732	27,834	29,560	31,304
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)				1,568				1,672	1,776	1,881
<b>Net Property Rates</b>	<b>14,051</b>	<b>17,822</b>	<b>25,179</b>	<b>24,732</b>	<b>24,732</b>	<b>24,732</b>	<b>24,732</b>	<b>26,162</b>	<b>27,784</b>	<b>29,423</b>
<b>Service charges - electricity revenue</b>										
Total Service charges - electricity revenue	23,366	26,260	27,356	33,705	33,705	33,705	33,705	36,402	39,314	42,459
less Revenue Foregone (in excess of 50 kwh per indigent household per month)										
less Cost of Free Basis Services (50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - electricity revenue</b>	<b>23,366</b>	<b>26,260</b>	<b>27,356</b>	<b>33,705</b>	<b>33,705</b>	<b>33,705</b>	<b>33,705</b>	<b>36,402</b>	<b>39,314</b>	<b>42,459</b>
<b>Service charges - water revenue</b>										
Total Service charges - water revenue										
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)										
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - water revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - sanitation revenue</b>										
Total Service charges - sanitation revenue										
less Revenue Foregone (in excess of free sanitation service to indigent households)										
less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - sanitation revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - refuse revenue</b>										
Total refuse removal revenue	5,419	6,249	8,036	8,380	8,343	8,343	8,343	9,010	9,731	10,510
Total landfill revenue										
less Revenue Foregone (in excess of one removal a week to indigent households)										
less Cost of Free Basis Services (removed once a week to indigent households)	-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - refuse revenue</b>	<b>5,419</b>	<b>6,249</b>	<b>8,036</b>	<b>8,380</b>	<b>8,343</b>	<b>8,343</b>	<b>8,343</b>	<b>9,010</b>	<b>9,731</b>	<b>10,510</b>
<b>Other Revenue by source</b>										
Building plans	1,251	998	1,077	90	76	76	76	80	85	90
Burial fees				136	115	115	115	121	129	136
Certificate: clearance				35	10	10	10	10	11	12
Dumping fees				21	17	17	17	18	19	20
Final readings				13	5	5	5	6	6	6
Grave fees				53	45	45	45	48	50	53
New connections				50	21	21	21	22	24	25
Sign boards				105	60	60	60	63	67	71
Tender document fees				79	221	221	221	241	259	275
IMV Commission				10	28	28	28	29	31	33
Reconnection fees				265	111	111	111	118	124	132
KZN transport subsidy				50	268	268	268	284	301	318
<b>Total 'Other' Revenue</b>	<b>1,251</b>	<b>998</b>	<b>1,077</b>	<b>985</b>	<b>976</b>	<b>976</b>	<b>976</b>	<b>1,041</b>	<b>1,105</b>	<b>1,170</b>



Table S6 SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
Basic Salaries and Wages	23,200	26,814	33,080	46,884	47,017	47,017	47,017	50,591	54,031	57,705
Pension and UIF Contributions	2,178	2,742	3,526	4,952	5,150	5,150	5,150	5,532	5,908	6,310
Medical Aid Contributions	1,268	1,516	1,646	1,521	1,557	1,557	1,557	1,675	1,789	1,911
Overtime	2,327	1,541	1,340	1,678	2,010	2,010	2,010	2,163	2,310	2,467
Performance Bonus	1,472	2,027	2,225	3,629	3,661	3,661	3,661	3,940	4,207	4,494
Motor Vehicle Allowance	1,443	1,253	2,162	1,701	1,676	1,676	1,676	1,803	1,925	2,056
Cellphone Allowance	64	59	106	83	56	56	56	60	64	69
Housing Allowances	30	28	31	29	146	146	146	158	168	180
Other benefits and allowances	1,795	919	1,121	289	771	771	771	839	896	957
Payments in lieu of leave	-	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>33,774</b>	<b>36,700</b>	<b>45,237</b>	<b>60,765</b>	<b>62,045</b>	<b>62,045</b>	<b>62,045</b>	<b>66,760</b>	<b>71,300</b>	<b>76,148</b>
<b>Less: Employees costs capitalised to PPE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Employee related costs</b>	<b>33,774</b>	<b>36,700</b>	<b>45,237</b>	<b>60,765</b>	<b>62,045</b>	<b>62,045</b>	<b>62,045</b>	<b>66,760</b>	<b>71,300</b>	<b>76,148</b>
<b>Contributions recognised - capital</b>										
Public contributions and donations	-	-	173	-	-	-	-	-	-	-
<b>Total Contributions recognised - capital</b>	<b>-</b>	<b>-</b>	<b>173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation &amp; asset impairment</b>										
Depreciation of Property, Plant & Equipment	3,975	4,585	7,240	7,833	7,833	7,833	7,833	8,280	7,864	7,333
Lease amortisation	-	-	-	-	-	-	-	523	469	500
Capital asset impairment	397	45	617	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation &amp; asset impairment</b>	<b>4,372</b>	<b>4,631</b>	<b>7,857</b>	<b>7,833</b>	<b>7,833</b>	<b>7,833</b>	<b>7,833</b>	<b>8,803</b>	<b>8,333</b>	<b>7,833</b>
<b>Bulk purchases</b>										
Electricity Bulk Purchases	19,039	20,419	21,482	25,052	25,052	25,052	25,052	27,021	29,145	31,436
Water Bulk Purchases	-	-	-	-	-	-	-	-	-	-
<b>Total bulk purchases</b>	<b>19,039</b>	<b>20,419</b>	<b>21,482</b>	<b>25,052</b>	<b>25,052</b>	<b>25,052</b>	<b>25,052</b>	<b>27,021</b>	<b>29,145</b>	<b>31,436</b>
<b>Transfers and grants</b>										
Cash transfers and grants	2,691	2,309	2,913	1,960	1,960	1,960	1,960	3,806	4,294	4,702
Non-cash transfers and grants	-	-	-	1,078	1,078	1,078	1,078	1,142	601	633
<b>Total transfers and grants</b>	<b>2,691</b>	<b>2,309</b>	<b>2,913</b>	<b>3,039</b>	<b>3,039</b>	<b>3,039</b>	<b>3,039</b>	<b>4,948</b>	<b>4,895</b>	<b>5,336</b>
<b>Contracted services</b>										
Electrical Services	9,157	455	535	512	300	300	300	586	620	656
Refuse collection services (waste removal)	-	4,427	4,259	4,499	4,574	4,574	4,574	4,514	4,776	5,053
Parks and Garden maintenance	-	1,730	4,745	2,667	3,313	3,313	3,313	5,208	5,510	5,829
Information Technology services/corporate	-	1,597	1,391	3,059	1,868	1,868	1,868	1,894	2,072	2,210
Value-added tax services	-	813	66	-	-	-	-	-	-	-
Security/Protection Services	-	3,491	5,892	6,198	7,006	7,006	7,006	4,907	5,097	5,393
<b>sub-total</b>	<b>9,157</b>	<b>12,512</b>	<b>16,888</b>	<b>16,935</b>	<b>17,060</b>	<b>17,060</b>	<b>17,060</b>	<b>17,109</b>	<b>18,075</b>	<b>19,142</b>
<b>Allocations to organs of state:</b>										
Electricity	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total contracted services</b>	<b>9,157</b>	<b>12,512</b>	<b>16,888</b>	<b>16,935</b>	<b>17,060</b>	<b>17,060</b>	<b>17,060</b>	<b>17,109</b>	<b>18,075</b>	<b>19,142</b>
<b>Other Expenditure By Type</b>										
Collection costs	255	28	236	334	150	150	150	159	168	178
Contributions to other provisions	984	7,555	1,306	246	366	366	366	387	377	393
Consultant fees	3,020	3,025	2,805	1,467	1,217	1,217	1,217	893	945	999
Audit fees	2,426	1,946	1,431	2,449	2,449	2,449	2,449	1,443	1,527	1,616
General expenses	1,363	2,809	2,681	3,750	6,868	6,868	6,868	4,844	5,386	5,298
Subsistence and Travelling	2,594	1,759	3,143	3,033	3,786	3,786	3,786	4,027	4,151	4,396
Advertising	602	529	621	523	523	523	523	457	485	514
Legal Costs	-	218	1,047	1,580	500	500	500	533	566	599
Licenses	-	539	256	118	118	118	118	125	133	141
Stationery, printing and telephone	1,391	1,791	1,796	1,245	1,807	1,807	1,807	2,089	2,219	2,350
Youth, senior citizen, men & women support	-	459	861	4,070	1,814	1,814	1,814	1,950	1,965	1,965
Postages and courier	31	52	10	51	51	51	51	54	58	61
Cleaning materials	211	145	282	246	303	303	303	323	343	364
Electricity, water, refuse & sewerage charges	289	1,104	893	1,537	1,346	1,346	1,346	1,435	1,524	1,614
Rentals	-	789	763	639	165	165	165	176	187	198
Fuel & oil	1,049	1,000	1,106	1,083	1,229	1,229	1,229	1,311	1,392	1,474
Hire of equipment and rentals	367	1,349	1,295	1,002	623	623	623	664	705	746
Uniform and Protective Clothing	83	313	305	367	470	470	470	501	532	563
Training Fees and subscriptions and WCA	236	919	2,075	2,982	2,517	2,517	2,517	2,824	2,799	2,776
Insurance	1,273	944	724	1,273	750	750	750	795	849	899
Public participation and communication	2,055	2,555	3,021	5,911	3,815	3,815	3,815	5,474	5,981	6,275
Pauper burials	-	215	183	250	250	250	250	267	250	250
Ward Upholstery	-	2,787	3,500	1,000	965	965	965	1,029	1,000	1,000
EPWP	-	2,506	1,920	-	-	-	-	-	-	-
Accommodation Expense and refreshments	-	1,706	2,014	3,059	3,495	3,495	3,495	3,196	3,348	3,542
Disaster Victims Support and LED	-	358	65	4,255	4,071	4,071	4,071	4,051	3,936	3,385
Transport costs	-	-	543	1,080	1,176	1,176	1,176	1,736	1,843	1,952
<b>Total 'Other' Expenditure</b>	<b>18,230</b>	<b>37,402</b>	<b>34,881</b>	<b>43,549</b>	<b>40,825</b>	<b>40,825</b>	<b>40,825</b>	<b>40,844</b>	<b>42,070</b>	<b>43,550</b>
<b>Repairs and Maintenance by Expenditure Item</b>										
Employee related costs	2,443	3,118	3,331	7,475	7,475	7,475	7,475	8,073	7,709	7,841
Other materials	5,491	7,554	6,506	10,362	10,725	10,725	10,725	11,740	12,416	16,755
Contracted Services	448	455	535	512	512	512	512	586	620	656
Other Expenditure	-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>8,382</b>	<b>11,127</b>	<b>10,372</b>	<b>18,349</b>	<b>18,712</b>	<b>18,712</b>	<b>18,712</b>	<b>20,399</b>	<b>20,745</b>	<b>25,252</b>

Table 57 SA2 - Matrix Financial Performance Budget (revenue source/ expenditure type by department)

R thousand	Description	Ref	Vote 1 - Governance and Administration	Vote 2 - Financial Services	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Sports and Recreation	Vote 6 - Public Safety	Vote 7 - Planning and Development	Vote 8 - Roads Transport	Vote 9 - Environmental Protection	Vote 10 - Other	Vote 11 - Housing	Vote 12 - Electricity Services	Vote 13 - Water Services	Vote 14 - Waste Water Management	Vote 15 - Waste Management	Total
Revenue By Source	Property rates	1		26,162										36,402				26,162
	Property rates - penalties & collection charges																	-
	Service charges - electricity revenue																	36,402
	Service charges - water revenue																	-
	Service charges - sanitation revenue																	-
	Service charges - refuse revenue																	-
	Service charges - other																	9,010
	Rental of facilities and equipment																	674
	Interest earned - external investments			1,968														1,968
	Interest earned - outstanding debtors			2,864														5,458
Revenue By Source	Dividends received																	-
	Fines																	441
	Licences and permits																	1,811
	Agency services																	806
	Other revenue																	1,041
	Transfers recognised - operational																	105,326
	Gains on disposal of PPE																	-
	Transfers recognised - capital																	-
	Losses on disposal of PPE																	-
	Transfers recognised - capital																	-
Total Revenue (excluding capital transfers and contributions)			8,646	52,772	19,042	14,338	4,822	8,889	16,372	14,186	-	1,697	-	36,728	-	-	11,409	188,899
Expenditure By Type	Employee related costs		3,763	10,222	8,462	13,065	961	8,010	11,305	9,520		329		524			600	66,760
	Remuneration of councillors		8,277															8,277
	Debt impairment																	10,084
	Depreciation & asset impairment																	8,803
	Finance charges																	1,106
	Bulk purchases																	27,021
	Other materials		201	2	1,663	14	5	202	336	6,788		48		27,021				11,798
	Contracted services			1,957	4,844		5,208							2,540				17,109
	Transfers and grants													596				4,948
	Other expenditure													4,947,964				40,844
Total Expenditure			4,020,091	5,630,151	9,500,426	5,201,639	3,000,000	2,829,378	5,312,191	2,224,790		2,750,000		4,044,000			470,957	-
Surplus/(Deficit)	Transfers recognised - capital		16,260	27,619	24,470	18,281	9,174	11,041	16,952	18,533	-	3,128	-	35,623	-	-	15,669	196,749
	Contributions recognised - capital		(7,614)	25,153	(5,428)	(3,943)	(4,352)	(2,152)	(581)	(4,347)	-	(1,431)	-	1,105	-	-	(4,260)	(7,850)
	Contributed assets								40,779					24,861				65,640
	Transfers recognised - capital																	-
	Contributions recognised - capital																	-
	Contributed assets																	-
	Transfers recognised - capital																	-
	Contributions recognised - capital																	-
	Contributed assets																	-
	Transfers recognised - capital																	-
Surplus/(Deficit) after capital transfers & contributions			(7,614)	25,153	(5,428)	(3,943)	(4,352)	(2,152)	40,198	(4,347)	-	(1,431)	-	25,966	-	-	(4,260)	57,790



Table 58 SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		22,873	11,419	13,134	33,622	10,559	10,559	10,559	19,081	24,601	27,621
Other current investments > 90 days											
Total Call Investment deposits	2	22,873	11,419	13,134	33,622	10,559	10,559	10,559	19,081	24,601	27,621
Consumer debtors											
Consumer debtors		70,045	86,576	104,790	107,652	107,652	107,652	107,652	113,070	104,299	109,501
Less: Provision for debt impairment		(35,871)	(43,260)	(49,619)	(48,240)	(59,982)	(59,982)	(59,982)	(70,009)	(80,312)	(89,772)
Total Consumer debtors	2	34,174	43,316	55,171	59,412	47,670	47,670	47,670	43,061	23,987	19,729
Debt impairment provision											
Balance at the beginning of the year		19,317	35,923	43,260	38,780	50,522	50,522	50,522	59,982	70,009	80,312
Contributions to the provision		3,939	7,337	6,359	9,460	9,460	9,460	9,460	10,028	10,302	9,460
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		23,256	43,260	49,619	48,240	59,982	59,982	59,982	70,009	80,312	89,772
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		147,656	185,684	288,750	315,838	364,956	364,956	364,956	437,326	482,793	532,360
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	3	23,256	26,659	34,009	48,240	48,240	48,240	48,240	56,520	64,353	72,185
Total Property, plant and equipment (PPE)	2	124,400	159,025	254,741	267,598	316,716	316,716	316,716	380,806	418,440	460,174
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		2,647	3,281	1,955	6,940	1,847	1,847	1,847	4,253	4,253	5,491
Total Current liabilities - Borrowing		2,647	3,281	1,955	6,940	1,847	1,847	1,847	4,253	4,253	5,491
Trade and other payables											
Trade and other creditors		15,680	20,640	35,516	39,257	39,257	39,257	39,257	49,029	43,833	39,557
Unspent conditional transfers		6,043	6,863	11,098	-	-	-	-	-	-	-
VAT		5,666	2,345	-	4,445	8,320	8,320	8,320	-	-	-
Total Trade and other payables	2	27,388	29,848	46,614	43,702	47,577	47,577	47,577	49,029	43,833	39,557
Non current liabilities - Borrowing											
Borrowing	4	845	448	77	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		1,272	3,047	1,660	4,615	5,989	5,989	5,989	4,479	5,537	4,944
Total Non current liabilities - Borrowing		2,117	3,495	1,736	4,615	5,989	5,989	5,989	4,479	5,537	4,944
Provisions - non-current											
Retirement benefits		2,601	2,503	2,619	2,605	2,739	2,739	2,739	2,847	2,962	3,077
List other major provision items											
Refuse landfill site rehabilitation		3,862	3,958	3,765	3,663	4,010	4,010	4,010	4,010	4,010	4,010
Other		-	341	1,035	-	-	-	-	456	456	456
Total Provisions - non-current		6,462	6,802	7,418	6,268	6,749	6,749	6,749	7,313	7,428	7,543
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		177,903	232,285	262,632	358,107	358,107	358,107	358,107	372,067	437,850	476,300
GRAP adjustments		19,673	(2,653)	16,877	-	-	-	-	-	-	-
Restated balance		197,576	229,632	279,509	358,107	358,107	358,107	358,107	372,067	437,850	476,300
Surplus/(Deficit)		34,709	33,000	59,053	38,459	59,323	59,323	59,323	57,790	32,067	34,860
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments				383	(8,558)	(45,363)	(45,363)	(45,363)	7,992	6,383	10,000
Accumulated Surplus/(Deficit)	1	232,285	262,632	338,945	388,008	372,067	372,067	372,067	437,850	476,300	521,160
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	232,285	262,632	338,945	388,008	372,067	372,067	372,067	437,850	476,300	521,160



**Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Develop and implement credible third generation IDP. Promote quality service delivery through inclusive performance management system, employ and develop highly effective workforce representative of municipally demographic profile. Create a balance between employee productivity, welfare and capacity building.	To increase employee capacity by a minimum of 10% each year.	A	A1; A2; A3; A4; A5	13,195	15,953	14,303	18,746	19,062	19,062	22,150	23,969	24,696	
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities, create conducive environment for sports and recreational activities.	Ensure that every household has access to basic services by 2030	B	B1; B2; B3; B4; B5	60,492	83,090	112,728	108,459	123,337	123,337	136,402	116,240	124,215	
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity.	To boost the Local Economy by 5 points each year.	C	C1; C2; C3; C4	3,436	2,185	14,838	7,807	13,369	13,369	9,629	7,007	7,144	
Apply good financial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.	D	D1; D2; D3; D4	39,730	39,323	44,783	51,482	51,619	51,619	52,772	56,558	62,658	
Promote good governance, accountability and transparency; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings.	Create a people centred democracy that is transparent and responsive	E	E1; E2; E3	7,664	12,554	12,850	16,963	16,033	16,033	5,538	5,807	6,092	
Promote the environment conservation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate, implement SPLUMA, uphold the rule of law and safety on pongolo roads.	To increase environmental and community safety	F	F1; F2; F3; F4; F5; F6; F7	13,217	16,807	13,444	20,933	20,715	20,715	28,048	29,706	30,476	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	137,734	169,914	212,947	224,391	244,134	244,134	254,539	239,286	255,280



**Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Develop and implement credible third generation IDP, Promote quality service delivery through inclusive performance management system, employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building.	To increase employee capacity by a minimum of 10% each year.	A	A1; A2; A3; A4; A5	15,803	18,940	24,170	27,572	30,020	30,020	29,020	30,734	32,449	
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination, provide safe and adequate habitable housing that is closer to amenities create conducive environment for sports and recreational activities.	Ensure that every household has access to basic services by 2030	B	B1; B2; B3; B4; B5	37,090	52,620	56,768	72,453	72,973	72,973	79,797	84,523	92,587	
Create a conducive environment for investing and SMME and Co-operatives growth, increase the number of visitors to uPhongolo, Create temporary and permanent jobs, increase agricultural productivity.	To boost the Local Economy by 5 points each year	C	C1; C2; C3; C4	3,034	5,580	7,515	8,761	9,061	9,061	10,108	10,381	10,232	
Apply good financial management in municipal finance dealings. Increase revenue collection and generation yearly, control and account for expenditure, enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.	D	D1; D2; D3; D4	18,912	26,869	25,664	28,141	27,133	27,133	27,619	28,313	29,150	
Promote good governance, accountability and transparency, placing the primary focus on addressing the needs of the communities, report regularly on municipal dealings.	Create a people centred democracy that is transparent and responsive	E	E1; E2; E3	14,193	15,564	14,646	13,542	11,005	11,005	11,712	12,431	13,132	
Promote the environment conservation and management to ensure adverse environmental impacts are prevented and mitigated, Mitigate the HIV epidemic and promote positive living, provide disaster management and emergency services; ensure the needs of special groups are addressed, reduce crime rate, implement SPLUMA, uphold the rule of law and safety on panga roads.	To increase environmental and community safety	F	F1; F2; F3; F4; F5; F6; F7	14,193	17,339	25,133	35,463	34,620	34,620	38,494	40,838	42,870	
Allocations to other priorities													
Total Expenditure				1	103,025	136,913	153,895	185,932	184,811	184,811	196,749	207,220	220,420



**Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive performance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building.	To increase employee capacity by a minimum of 10% each year.	A	A1; A2; A3; A4; A5	130	4,187	2,225	9,200	6,076	6,076	10,232	150	150	
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities; create conducive environment for sports and recreational activities.	Ensure that every household has access to basic services by 2030	B	B1; B2; B3; B4; B5	17,410	38,157	53,512	44,854	64,184	64,184	67,676	50,607	49,417	
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity.	To boost the Local Economy by 5 points each year.	C	C1; C2; C3; C4	1,271	-	165	-	5,564	5,564	200	-	-	
Apply good financial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.	D	D1; D2; D3; D4	80	226	101	25	502	502	2,500	-	-	
Promote good governance, accountability and transparency; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings.	Create a people centred democracy that is transparent and responsive	E	E1; E2; E3	91	-	-	700	-	-	900	-	-	
Promote the environment conservation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate, implement SPLUMA, uphold the rule of law and safety on pongoles roads.	To increase environmental and community safety	F	F1; F2; F3; F4; F5; F6; F7	250	-	101	1,557	870	870	900	-	-	
Allocations to other priorities				3									
Total Capital Expenditure				1	19,232	42,570	56,104	56,336	77,196	77,196	82,408	50,757	49,567

Table SA 7 Measurable Performance Objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Planning &amp; Development: Technical Services</b>										
<b>Function: Roads</b>										
Sub-function: Eradication of backlogs										
Reduce roads and stormwater backlogs	Kilometers			9.9	8.5	7.8	7.8	8.5	6.0	7.0
<b>Function: Roads</b>										
Sub-function: Road maintenance										
Roads rehabilitated	Kilometers			7.5				6		
<b>Function: Technical Services</b>										
Sub-function: Eradication of backlogs										
New sub-rank for growth	Number			1	1	1	1			
Sub-function: Eradication of backlogs										
Construction of community halls	Number			3	2	2	2	2	3	
Sub-function: Eradication of backlogs										
Construction of sportfields	Number			3	3	3	3	2	1	
Sub-function: Eradication of backlogs										
Construction of creches	Number			1	4	4	4	2	2	
<b>Community and Social Services</b>										
<b>Function: Local Economic Development</b>										
Sub-function: Economic development										
Construction of Imbube Cultural Centre	Number				1	1	1	1		
<b>Function: Local Economic Development</b>										
Sub-function: Economic development										
Construction of Flea Market	Number				1	1	1			
<b>Electricity Services</b>										
<b>Function: Electricity Services</b>										
Sub-function: Electricity Services										
Households provided with electricity	Households		762	1612	922	922	922	1420	742	858
Sub-function: Electricity Services										
Upgrade town electricity infrastructure	Number									
Sub-function: Excess to alternative energy										
Households provided with alternative energy	Households	1059	2000	1130	1000	1000	1000	1000	500	500
And so on for the rest of the Votes										



**Table SA 8 Performance Indicators and Objectives**

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Borrowing Management</b>											
Credit Rating		0	0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.0%	2.6%	3.9%	4.4%	5.6%	5.6%	5.6%	2.3%	2.6%	3.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	5.8%	8.1%	10.2%	13.2%	13.2%	13.2%	5.5%	6.1%	7.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-376.3%	104.8%	5.9%	75.8%	75.8%	75.8%	75.8%	18.2%	39.9%	84.2%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.9	1.6	1.6	1.8	1.2	1.2	1.2	1.3	1.2	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	1.6	1.6	1.8	1.2	1.2	1.2	1.3	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.3	0.2	0.7	0.2	0.2	0.2	0.4	0.5	0.6
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		121.2%	72.3%	64.0%	85.1%	85.2%	85.2%	85.2%	77.3%	92.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		119.6%	72.3%	64.0%	85.1%	85.2%	85.2%	85.2%	77.3%	92.2%	92.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	30.1%	39.4%	50.5%	32.4%	26.2%	26.2%	26.2%	27.8%	17.3%	14.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's s 65(e))	95.7%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		67.0%	151.7%	270.3%	116.7%	371.6%	371.6%	371.6%	256.9%	178.1%	143.2%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kWh)										
	Total Cost of Losses (Rand '000)	5,614	3,326	5,400	2,499	1,874	1,562	1561804	3,687	3,227	2,648
	% Volume (units purchased and generated less units sold)/units purchased and generated	3,818	2,228	3,932	2,149	1,707	1,497	1,497	3,187	3,051	2,739
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	18.5%	11.0%	18.2%	8.0%	6.0%	6.0%	6.0%	10.0%	8.0%	6.0%
	Total Volume Losses (Mℓ)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
Employee costs	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-	-
	Employee costs/(Total Revenue - capital revenue)	28.4%	27.8%	28.7%	32.7%	33.6%	33.6%	33.6%	35.3%	35.9%	36.0%
	Total remuneration/(Total Revenue - capital revenue)	32.3%	33.0%	33.3%	36.9%	37.7%	37.7%		39.7%	40.3%	40.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.0%	8.4%	6.6%	9.9%	10.1%	10.1%		10.8%	10.9%	12.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.3%	4.1%	6.8%	4.8%	4.9%	4.9%	4.9%	5.2%	4.8%	4.3%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	6.3	6.5	8.5	7.2	7.2	7.2	7.2	6.9	6.5	7.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	82.7%	102.1%	130.1%	88.2%	72.0%	72.0%	72.0%	72.8%	44.3%	37.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.4	1.6	1.3	2.9	0.9	0.9	0.9	1.5	1.8	1.9



Table SA 9 Social, Economic and Demographic Statistics and Assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population	Census 1996	119,780	119,780	127,398	127,238	129,542	129,542	129,542	129,542	129,542	129,542
Females aged 5 - 14	Census 1996	16,589	16,589	16,030	15,730	16,015	16,015	16,015	16,015	16,015	16,015
Males aged 5 - 14	Census 1996	16,664	16,664	16,197	16,197	16,490	16,490	16,490	16,490	16,490	16,490
Females aged 15 - 34	Census 1996	22,541	22,541	24,644	24,644	25,090	25,090	25,090	25,090	25,090	25,090
Males aged 15 - 34	Census 1996	19,880	19,880	22,692	22,692	23,102	23,102	23,102	23,102	23,102	23,102
Unemployment	Census 1996	15,908	15,908	17,668	17,668	17,988	17,988	17,988	17,988	17,988	17,988
<b>Monthly household income (no. of households)</b>											
No income	Census 1996	19,407	19,407	3,953	3,953	3,953	3,953	3,953	3,953	3,953	3,953
R1 - R1 600	Census 1996	5,752	5,752	12,770	12,770	12,770	12,770	12,770	12,770	12,770	12,770
R1 601 - R3 200	Census 1996	396	396	6,281	6,281	6,281	6,281	6,281	6,281	6,281	6,281
R3 201 - R6 400	Census 1996	253	253	2,651	2,651	2,651	2,651	2,651	2,651	2,651	2,651
R6 401 - R12 800	Census 1996	89	89	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
R12 801 - R25 600	Census 1996	30	30	944	944	944	944	944	944	944	944
R25 601 - R51 200	Census 1996	13	13	404	404	404	404	404	404	404	404
R52 201 - R102 400	Census 1996	11	11	0,090	90	90	90	90	90	90	90
R102 401 - R204 800	Census 1996	11	11	0,046	46	46	46	46	46	46	46
R204 801 - R409 600	Census 1996	-	-	0,051	51	51	51	51	51	51	51
R409 601 - R819 200	Census 1996	-	-	-	-	-	-	-	-	-	-
> R819 200	Census 1996	-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	Census 1996										
Insert description	Census 1996										
<b>Household demographics (000)</b>											
Number of people in municipal area	Census 1996	119,780	119,780	127,398	127,238	129,542	129,542	129,542	129,542	129,542	129,542
Number of poor people in municipal area	Census 1996	-	-	-	-	-	-	-	-	-	-
Number of households in municipal area	Census 1996	26,954	26,954	26,954	28,772	29,293	29,293	29,293	29,293	29,293	29,293
Number of poor households in municipal area	Census 1996	-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)	Census 1996	2,060	2,060	2,060	2,060	2,185	2,185	2,185	2,185	2,185	2,185
<b>Housing statistics</b>											
Formal	Census 1996	16,331	15,006	24,013	24,157	25,606	25,606	25,606	25,606	25,606	25,606
Informal	Census 1996	398	438	342	344	365	365	365	365	365	365
Total number of households	Census 1996	16,729	15,444	24,355	24,501	25,971	25,971	25,971	25,971	25,971	25,971
Dwellings provided by municipality	Census 1996	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s	Census 1996	-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	Census 1996	4,834	1,030	1,030	4,863	4,921	4,921	4,921	4,921	4,921	4,921
Total new housing dwellings	Census 1996	4,834	1,030	1,030	4,863	4,921	4,921	4,921	4,921	4,921	4,921
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					6.0%	5.6%	6.0%	6.0%	6.0%	6.0%	6.0%
Interest rate - borrowing					8.5%	8.0%	9.5%	13.5%	13.5%	13.5%	13.5%
Interest rate - investment					5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Remuneration increases					6.8%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%
Consumption growth (electricity)					8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Consumption growth (water)					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>											
Property tax/service charges					77.0%	83.0%	85.0%	83.0%	83.0%	95.0%	95.0%
Rental of facilities & equipment					77.0%	90.0%	90.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					77.0%	83.0%	85.0%	83.0%	83.0%	95.0%	95.0%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table SA 9 Social, Economic and Demographic Statistics and Assumptions (Continued)

Total municipal services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	<b>Household service targets (000)</b>									
	<b>Water:</b>									
	Piped water inside dwelling	3,452	3,660	3,660	3,660	3,660	3,660	3,660	3,660	1,830
	Piped water inside yard (but not in dwelling)	20,140	21,348	21,348	21,348	21,348	21,348	21,348	21,348	10,674
	Using public tap (at least min service level)	4,028	4,270	4,270	4,270	4,270	4,270	4,270	4,270	2,135
	Other water supply (at least min service level)	6,904	7,320	7,320	7,320	7,320	7,320	7,320	7,320	3,660
	Minimum Service Level and Above sub-total	34,524	36,598	36,598	36,598	36,598	36,598	36,598	36,598	18,299
	Using public tap (< min service level)	-	-	-	-	-	-	-	-	-
	Other water supply (< min service level)	23,018	24,396	24,396	24,396	24,396	24,396	24,396	24,396	12,198
	No water supply	2	2	2	2	2	2	2	2	1
	Below Minimum Service Level sub-total	23,020	24,398	24,398	24,398	24,398	24,398	24,398	24,398	12,199
	<b>Total number of households</b>	<b>57,544</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>60,996</b>	<b>30,498</b>
	<b>Sanitation/sewerage:</b>									
	Flush toilet (connected to sewerage)	5,178	5,490	5,490	5,490	5,490	5,490	5,490	5,490	2,745
	Flush toilet (with septic tank)	1,726	1,720	1,720	1,720	1,720	1,720	1,720	1,720	915
	Chemical toilet	3,452	3,410	3,410	3,410	3,410	3,410	3,410	3,410	1,830
	Pit toilet (ventilated)	6,330	6,348	6,348	6,348	6,348	6,348	6,348	6,348	3,355
	Other toilet provisions (> min service level)	13,812	14,161	14,161	14,161	14,161	14,161	14,161	14,161	7,319
	Minimum Service Level and Above sub-total	30,498	31,129	31,129	31,129	31,129	31,129	31,129	31,129	16,164
	Bucket toilet	576	478	478	478	478	478	478	478	305
	Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	26,470	26,576	26,576	26,576	26,576	26,576	26,576	26,576	14,029
	Below Minimum Service Level sub-total	27,046	27,054	27,054	27,054	27,054	27,054	27,054	27,054	14,334
	<b>Total number of households</b>	<b>57,544</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>58,183</b>	<b>30,498</b>
	<b>Energy:</b>									
	Electricity (at least min service level)	16,700	17,702	17,702	17,702	17,702	17,702	17,702	17,702	17,702
	Electricity - prepaid (min service level)	-	-	-	-	-	-	-	-	-
	Minimum Service Level and Above sub-total	16,700	17,702	17,702	17,702	17,702	17,702	17,702	17,702	17,702
	Electricity (< min service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	12,072	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
	Below Minimum Service Level sub-total	12,072	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
	<b>Total number of households</b>	<b>28,772</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>
	<b>Refuse:</b>									
	Removed at least once a week	4,547	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
	Minimum Service Level and Above sub-total	4,547	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	<b>4,547</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>
	<b>Household service targets (000)</b>									
	<b>Water:</b>									
	Piped water inside dwelling	1,726	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
	Piped water inside yard (but not in dwelling)	10,070	10,674	10,674	10,674	10,674	10,674	10,674	10,674	10,674
	Using public tap (at least min service level)	2,014	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135
	Other water supply (at least min service level)	3,452	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660
	Minimum Service Level and Above sub-total	17,262	18,299	18,299	18,299	18,299	18,299	18,299	18,299	18,299
	Using public tap (< min service level)	-	-	-	-	-	-	-	-	-
	Other water supply (< min service level)	11,509	12,198	12,198	12,198	12,198	12,198	12,198	12,198	12,198
	No water supply	1	1	1	1	1	1	1	1	1
	Below Minimum Service Level sub-total	11,510	12,199	12,199	12,199	12,199	12,199	12,199	12,199	12,199
	<b>Total number of households</b>	<b>28,772</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>
	<b>Sanitation/sewerage:</b>									
	Flush toilet (connected to sewerage)	2,589	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745
	Flush toilet (with septic tank)	863	915	915	915	915	915	915	915	915
	Chemical toilet	1,726	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
	Pit toilet (ventilated)	3,165	3,355	3,355	3,355	3,355	3,355	3,355	3,355	3,355
	Other toilet provisions (> min service level)	6,906	7,319	7,319	7,319	7,319	7,319	7,319	7,319	7,319
	Minimum Service Level and Above sub-total	15,249	16,164	16,164	16,164	16,164	16,164	16,164	16,164	16,164
	Bucket toilet	288	305	305	305	305	305	305	305	305
	Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	13,235	14,029	14,029	14,029	14,029	14,029	14,029	14,029	14,029
	Below Minimum Service Level sub-total	13,523	14,334	14,334	14,334	14,334	14,334	14,334	14,334	14,334
	<b>Total number of households</b>	<b>28,772</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>
	<b>Energy:</b>									
	Electricity (at least min service level)	16,700	17,702	17,702	17,702	17,702	17,702	17,702	17,702	17,702
	Electricity - prepaid (min service level)	-	-	-	-	-	-	-	-	-
	Minimum Service Level and Above sub-total	16,700	17,702	17,702	17,702	17,702	17,702	17,702	17,702	17,702
	Electricity (< min service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	12,072	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
	Below Minimum Service Level sub-total	12,072	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
	<b>Total number of households</b>	<b>28,772</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>	<b>30,498</b>
	<b>Refuse:</b>									
	Removed at least once a week	4,547	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
	Minimum Service Level and Above sub-total	4,547	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	<b>4,547</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>	<b>4,574</b>

Table SA 9 Social, Economic and Demographic Statistics and Assumptions (Continued)

Services provided by 'external mechanisms'		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Names of service providers	Household service targets (000)									
Zukland District Municipality	Water:									
	Piped water inside dwelling	1,726	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
	Piped water inside yard (but not in dwelling)	10,070	10,674	10,674	10,674	10,674	10,674	10,674	10,674	10,674
	Using public tap (at least min. service level)	2,014	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135
	Other water supply (at least min. service level)	3,452	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660
	Minimum Service Level and Above sub-total	17,262	18,299	18,299	18,299	18,299	18,299	18,299	18,299	18,299
	Using public tap (< min. service level)	-	-	-	-	-	-	-	-	-
	Other water supply (< min. service level)	11,509	12,198	12,198	12,198	12,198	12,198	12,198	12,198	12,198
	No water supply	1	1	1	1	1	1	1	1	1
	Below Minimum Service Level sub-total	11,510	12,199	12,199	12,199	12,199	12,199	12,199	12,199	12,199
Total number of households		28,772	30,498	30,498	30,498	30,498	30,498	30,498	30,498	30,498
Names of service providers	Sanitation/sewerage:									
Zukland District Municipality	Flush toilet (connected to sewerage)	2,589	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745
	Flush toilet (with septic tank)	863	805	805	805	805	805	805	805	805
	Chemical toilet	1,726	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580
	Pit toilet (ventilated)	3,165	2,993	2,993	2,993	2,993	2,993	2,993	2,993	2,993
	Other toilet provisions (> min. service level)	6,906	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842
	Minimum Service Level and Above sub-total	15,249	14,965	14,965	14,965	14,965	14,965	14,965	14,965	14,965
	Bucket toilet	288	173	173	173	173	173	173	173	173
	Other toilet provisions (< min. service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	13,235	12,547	12,547	12,547	12,547	12,547	12,547	12,547	12,547
	Below Minimum Service Level sub-total	13,523	12,720	12,720	12,720	12,720	12,720	12,720	12,720	12,720
Total number of households		28,772	27,685	27,685	27,685	27,685	27,685	27,685	27,685	27,685
Names of service providers	Energy:									
Minimum Service Level and Above sub-total	Electricity (at least min. service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min. service level)	-	-	-	-	-	-	-	-	-
	Electricity (< min. service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	Names of service providers									
	Refuse:									
	Removed at least once a week	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
Detail of Free Basic Services (FBS) provided										
Electricity	households									
	settlements -									
Electricity	Number of HH receiving this type of FBS				2,020	2,020	2,020	7,000	7,500	7,800
	Informal settlements (R'000)	2,590,716	2,308,512	2,913,255	-	-	-	3,805,947	4,293,924	4,702,362
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Total cost of FBS - Electricity for informal settlements	2,590,716	2,308,512	2,913,255	-	-	-	3,805,947	4,293,924	4,702,362
Water	households									
	settlements -									
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (R'000)	-	-	-	-	-	-	-	-	-
Sanitation	households									
	settlements -									
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (R'000)	-	-	-	-	-	-	-	-	-
Refuse Removal	households									
	settlements -									
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (R'000)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (R'000)	-	-	-	-	-	-	-	-	-

Table SA 10 Funding Measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	23,402	13,603	13,137	33,627	10,564	10,564	10,564	19,086	24,606	27,628
Cash + investments at the yr end less applications - R'000	18(1)b	2	38,002	7,905	6,516	31,692	3,810	3,810	3,810	1,330	3,067	7,502
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	1.6	1.3	2.9	0.9	0.9	0.9	1.5	1.8	1.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	34,709	33,000	59,053	38,459	59,323	59,323	59,323	57,790	32,067	34,860
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	11.5%	14.3%	4.3%	(6.1%)	(6.0%)	(6.0%)	1.2%	1.3%	1.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	111.9%	67.3%	59.6%	79.7%	80.9%	80.9%	80.9%	73.3%	86.5%	87.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	5.9%	14.6%	12.0%	14.2%	14.2%	14.2%	14.2%	14.1%	13.4%	11.5%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	98.3%	100.0%	100.0%	98.6%	98.6%	98.6%	90.6%	89.6%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(228.9%)	100.2%	3.3%	75.8%	75.8%	75.8%	75.8%	18.2%	39.9%	84.2%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(decr)	18(1)a	11	N.A.	44.9%	52.9%	(24.2%)	(19.5%)	0.0%	0.0%	8.5%	(34.6%)	(9.9%)
Long term receivables % change - inc/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	6.7%	7.0%	4.1%	6.9%	5.9%	5.9%	6.4%	5.4%	5.2%	5.8%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	4.6%	2.7%	2.7%	0.0%	1.1%	6.0%	7.6%



Table SA 11

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Valuation:</b>	1	01/07/2007	01/07/2007	01/07/2014	01/07/2014					
Date of valuation:		2012/2013	2013/2014	2014/2015	2015/2016					
Financial year valuation used	2	Yes	Yes	Yes	Yes			Yes		
Municipal by-laws s6 in place? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		No	No	No	No	No	No	No	No	No
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	3	-	-	-	-	-	-	-	-	-
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes						
Implementation time of new valuation roll (mths)		60	60	60						
No. of properties	5	2,326,635,580			4,680	4,680	4,680	4,700	4,700	4,700
No. of sectional title values	5	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-
No. of objections by rate payers		-	-	-	-	-	-	-	-	-
No. of appeals by rate payers		-	-	-	-	-	-	-	-	-
No. of successful objections	8	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	8	-	-	-	-	-	-	-	-	-
Supplementary valuation		5	6		5	1	1	1	1	1
Public service infrastructure value (Rm)	5	-	-	-	0	0	0	41	41	41
Municipally owned property value (Rm)		106	106		200	200	200	88	88	88
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	24	24	24
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		528	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	160	160	160
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	24	24	24
Valuation reductions-other (Rm)		-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>		528	-	-	-	-	-	207	207	207
Total value used for rating (Rm)	5	2,164	-	-	-	-	-	-	-	-
Total land value (Rm)	5	4	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	2,327	-	-	-	-	-	-	-	-
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)										
Rating policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		60	60	60	60			60		
Non-residential prescribed ratio s19? (%)		0.0%	0.0%	0.0%	0.0%			0.0%		
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6	14,051	17,822	25,179	24,732	24,732	24,732	33,111	35,031	37,063
Rate revenue expected to collect (R'000)	6	9,112						25,681	20,574	24,524
Expected cash collection rate (%)		64.8%						77.6%	58.7%	66.2%
Special rating areas (R'000)	7	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>		-	-	-	-	-	-	-	-	-



Table SA 12(a) Property Rates By Category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
<b>Current Year 2015/16</b>																	
<b>Valuation:</b>																	
No. of properties		2,756	-	139	1,236	178	327	13	-	7	44	-	-	-	-	-	-
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments		1	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)	41																
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
<b>Total valuation reductions:</b>	2	119															
Total value used for rating (Rm)	6	531		472	1,479	256	-	17			51						
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6	531		472	1,479	256	-	17			51						
<b>Rating:</b>																	
Average rate	3																
Rate revenue budget (R'000)		8,498		15,113	6,783	1,023		69			1,625						
Rate revenue expected to collect (R'000)		6,595		11,728	5,263	1,023		53			1,261						
Expected cash collection rate (%)	4	77.6%		77.6%	77.6%	100.0%		77.6%			77.6%						
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
<b>Total rebates, exemptions, discounts (R'000)</b>																	



**Table SA 12(b) Property Rates By Category (budget year)**

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
<b>Budget Year 2016/17</b>																	
<b>Valuation:</b>																	
No. of properties		2,756	-	139	1,236	178	327	13	-	7	44	-	-	-	-	-	-
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		1	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Supplementary valuation (R/m)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections																	
Estimated no. of properties not valued																	
Years since last valuation (select)		3		3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		4		4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Planning-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat/rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (R/m)								24									
Valuation reductions-nature reserves/park (R/m)																	
Valuation reductions-mineral rights (R/m)																	
Valuation reductions-R15,000 threshold (R/m)		41									24						
Valuation reductions-public worship (R/m)																	
Valuation reductions-other (R/m)		119															
<b>Total valuation reductions:</b>																	
Total value used for rating (R/m)		531		472	1,479	256	-	17			51						
Total land value (R/m)																	
Total value of improvements (R/m)																	
Total market value (R/m)		531		472	1,479	256	-	17			51						
<b>Rating:</b>																	
Average rate		8,498		15,113	6,783	1,023		69			1,525						
Rate revenue budget (R'000)		6,595		11,728	5,263	1,023		53			1,261						
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)		77.6%		77.6%	77.6%	100.0%		77.6%			77.6%						
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>																	



Table SA 13(a) Service Tariffs By Category

Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Property rates (rate in the Rand)</b>	1								
Residential properties		Including Government	0.0107	0.0113	0.0120	0.0127	0.0137	0.0148	0.0160
Residential properties - vacant land			0.0134	0.0141	0.0240	0.0159	0.0171	0.0185	0.0200
Formal/informal settlements									
Small holdings									
Farm properties - used			0.0027	0.0028	0.0030	0.0032	0.0034	0.0037	0.0040
Farm properties - not used						0.0159	0.0171	0.0185	0.0200
Industrial properties			0.0134	0.0141	0.0240	0.0159	0.0171	0.0185	0.0200
Business and commercial properties			0.0134	0.0141	0.0240	0.0159	0.0171	0.0185	0.0200
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial			0.0134	0.0141	0.0240	0.0159	0.0171	0.0185	0.0200
Communal land - other			0.0134	0.0141	0.0240	0.0159	0.0171	0.0185	0.0200
State-owned properties			0.0134	0.0141	0.0240	0.0159	0.0171	0.0185	0.0200
Municipal properties									
Public service infrastructure		After exemption of 30% of	0.0027	0.0141	0.0030	0.0032	0.0034	0.0037	0.0040
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate			45,000	45,000	45,000	45,000	45,000	45,000	45,000
Indigent rebate or exemption			-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption			-	100%	100%	100%	100%	100%	100%
Temporary relief rebate or exemption		Pensioner	25%	25%	25%	30%	25%	25%	25%
Bona fide farmers rebate or exemption			25%	25%	25%	25%	25%	25%	25%
<b>Other rebates or exemptions</b>	2								
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/flat fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Water usage - flat rate tariff (c/k)			-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 2 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 3 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 4 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/flat fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Waste water - flat rate tariff (c/k)			-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/k)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/k)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 3 (c/k)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 4 (c/k)		(fill in structure)	-	-	-	-	-	-	-
<b>Other</b>	2								
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/flat fee (Rands/month)		<400 kwh	204	216	233	261	285	312	342
Service point - vacant land (Rands/month)									
FBE		50 Kwh	36	39	41	45	49	54	59
Life-line tariff - meter		<400 kwh	1	1	1	1	1	1	1
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/flat fee									
80l bin - once a week									
250l bin - once a week									



**Table SA 13(b) Service Tariffs by Category (Explanatory)**

Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Exemptions, reductions and rebates (Rands)</b>									
Property Rates			15,000	15,000	15,000	15,000	15,000	15,000	15,000
Property Rates			45,000	45,000	45,000	45,000	45,000	45,000	45,000
Property Rates			30%	30%	30%	30%	30%	30%	30%
Refuse removal			20%	20%	20%	20%	20%	20%	20%
<b>Water tariffs</b>									
(Insert blocks as applicable)		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
<b>Waste water tariffs</b>									
(Insert blocks as applicable)		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
<b>Electricity tariffs</b>									
Bulk Consumers		(fill in thresholds)	521.57	622.84	715.69	802	877	960	1,050
Bulk Consumers		(fill in thresholds)	102.41	121.34	139.42	156	171	187	205
Bulk Consumers		(fill in thresholds)	0.05	0.52	0.60	1	1	1	1
Commercial & Industrial		(fill in thresholds)	377.05	449.86	516.92	580	635	694	759
Commercial & Industrial		(fill in thresholds)	0.79	0.90	1.03	1	1	1	2
Domestic		(fill in thresholds)	176	202	232	261	285	312	342

Table SA 14 Households

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		2,187	1,207	1,157	1,222	1,222	1,222	8.0%	1,320	1,425	1,539
Electricity: Basic levy		230	216	232	261	261	261	9.4%	286	312	342
Electricity: Consumption		1,621	930	977	1,096	1,096	1,096	9.4%	1,199	1,312	1,435
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other		123	114	121	128	128	128	8.0%	138	149	161
sub-total		4,161	2,467	2,487	2,707	2,707	2,707	8.7%	2,943	3,199	3,477
VAT on Services		276	176	340	379	379	379		412	448	487
Total large household bill:		4,437	2,643	2,827	3,086	3,086	3,086	8.7%	3,355	3,647	3,964
% increase/-decrease			(40.4%)	7.0%	9.2%	-	-		8.7%	8.7%	8.7%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		1,382	488	835	882	882	882	8.0%	953	1,029	1,111
Electricity: Basic levy		230	216	232	261	261	261	9.4%	286	312	342
Electricity: Consumption		1,169	465	489	548	548	548	9.4%	600	656	718
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other		123	114	121	128	128	128	8.0%	138	149	161
sub-total		2,904	1,283	1,677	1,819	1,819	1,819	8.6%	1,976	2,146	2,332
VAT on Services		407	180	235	255	255	255		277	300	326
Total small household bill:		3,311	1,463	1,912	2,074	2,074	2,074	8.6%	2,252.46	2,447	2,658
% increase/-decrease			(55.8%)	30.7%	8.5%	-	-		8.6%	8.6%	8.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		172	99	97	102	102	102	8.0%	110	119	128
Electricity: Basic levy			216	232	261	261	261	9.4%	286	312	342
Electricity: Consumption			325	342	384	384	384	9.4%	420	460	503
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other		230	114	121	128	128	128	8.0%	138	149	161
sub-total		402	754	792	875	875	875	9.0%	954	1,040	1,134
VAT on Services		56	106	111	123	123	123		134	146	159
Total small household bill:		458	860	903	998	998	998	9.0%	1,088	1,186	1,293
% increase/-decrease			87.6%	5.0%	10.5%	-	-		9.0%	9.0%	9.0%



**Table SA 15 Investment Particulars By Type**

Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		22,873	11,419	13,134	33,622	10,559	10,559	19,081	24,601	27,621
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	22,873	11,419	13,134	33,622	10,559	10,559	19,081	24,601	27,621
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		22,873	11,419	13,134	33,622	10,559	10,559	19,081	24,601	27,621

**Table SA 16 Investment Particulars By Maturity**

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<u>Parent municipality</u> First National Bank	Months	Call	No	6-8%	0.05	-	-	On Call	13,134	1,957	(250,265)	254,255	19,081
													-
													-
													-
													-
													-
													-
<b>Municipality sub-total</b>									13,134		(250,265)	254,255	19,081

Table SA 17 Borrowing

Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)		845	933	509	-	-	-	8,000	-	-
Local registered stock										
Instalment Credit										
Financial Leases		1,272	5,843	3,183	4,000	5,989	5,989	2,800	9,397	4,800
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	2,117	6,776	3,692	4,000	5,989	5,989	10,800	9,397	4,800
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	2,117	6,776	3,692	4,000	5,989	5,989	10,800	9,397	4,800



Table SA 18 Transfers and Receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		63,086	67,933	81,553	104,069	104,069	104,069	102,646	106,430	112,556
Local Government Equitable Share		59,786	64,393	76,982	96,890	96,890	96,890	97,800	104,530	110,401
Finance Management		1,500	1,650	1,800	1,800	1,800	1,800	1,825	1,900	2,155
Municipal Systems Improvement		800	890	934	930	930	930	-	-	-
EPWP Incentive		1,000	1,000	1,837	4,449	4,449	4,449	3,021	-	-
Provincial Government:		946	1,255	1,122	1,292	1,292	1,292	1,323	1,379	1,451
Community Library Services		106	19	126	340	340	340	358	377	396
Provincialisation of Libraries		440	886	920	952	952	952	965	1,002	1,055
Maintenance of Sports Facility		-	150	76	-	-	-	-	-	-
Thusong Centre		400	-	-	-	-	-	-	-	-
IDP - Public Participation		-	200	-	-	-	-	-	-	-
District Municipality:		100	-	100	-	-	-	-	-	-
ZDM Tourism Subsidy		100	-	100	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	64,132	69,188	82,775	105,361	105,361	105,361	103,969	107,809	114,007
Capital Transfers and Grants										
National Government:		20,371	29,514	48,941	39,852	45,152	45,152	60,136	41,905	45,386
Municipal Infrastructure Grant (MIG)		20,371	15,514	29,408	27,852	33,152	33,152	42,136	28,905	30,386
Integrated Electrification- DME		-	14,000	19,533	12,000	12,000	12,000	18,000	13,000	15,000
Provincial Government:		12,225	15,900	6,276	-	15,564	15,564	6,861	-	-
Sports Facility - Nootshane		525	1,200	390	-	-	-	-	-	-
Streetlighting		3,000	3,000	122	-	-	-	-	-	-
Flea Market		2,700	2,700	81	-	-	-	-	-	-
Umbube Cultural Village		3,000	6,000	5,429	-	5,564	5,564	-	-	-
Sub-rank		3,000	3,000	255	-	-	-	-	-	-
Massification Programme (Electricity)		-	-	-	-	10,000	10,000	6,861	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
ZDM Tourism Subsidy		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	32,596	45,414	55,217	39,852	60,716	60,716	66,997	41,905	45,386
TOTAL RECEIPTS OF TRANSFERS & GRANTS		96,728	114,602	137,992	145,213	166,077	166,077	170,966	149,714	159,393



**Table SA 19 Expenditure on Transfers and Grant Programmes**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>EXPENDITURE:</b>	<b>1</b>									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		63,086	67,933	81,553	104,069	104,069	104,069	102,646	106,430	112,556
Local Government Equitable Share		59,786	64,393	76,982	96,890	96,890	96,890	97,800	104,530	110,401
Finance Management		1,500	1,650	1,800	1,800	1,800	1,800	1,825	1,900	2,155
Municipal Systems Improvement		800	890	934	930	930	930	-	-	-
EPWP Incentive		1,000	1,000	1,837	4,449	4,449	4,449	3,021	-	-
<b>Provincial Government:</b>		946	1,255	1,122	1,292	1,292	1,292	1,323	1,379	1,451
Community Library Services		106	19	126	340	340	340	358	377	396
Provincialisation of Libraries		440	886	920	952	952	952	965	1,002	1,055
Maintenance of Sports Facility		-	150	76	-	-	-	-	-	-
Thusong Centre		400	-	-	-	-	-	-	-	-
IDP - Public Participation		-	200	-	-	-	-	-	-	-
<b>District Municipality:</b>		100	-	100	-	-	-	-	-	-
ZDM Tourism Subsidy		100	-	100	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		64,132	69,188	82,775	105,361	105,361	105,361	103,969	107,809	114,007
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		20,371	29,514	48,941	39,852	45,152	45,152	60,136	41,905	45,386
Municipal Infrastructure Grant (MIG)		20,371	15,514	29,408	27,852	33,152	33,152	42,136	28,905	30,386
Integrated Electrification- DME		-	14,000	19,533	12,000	12,000	12,000	18,000	13,000	15,000
<b>Provincial Government:</b>		12,225	15,900	6,276	-	15,564	15,564	6,861	-	-
Sports Facility - Noolshane		525	1,200	390	-	-	-	-	-	-
Streetlighting		3,000	3,000	122	-	-	-	-	-	-
Flea Market		2,700	2,700	81	-	-	-	-	-	-
Umbube Cultural Village		3,000	6,000	5,429	-	5,564	5,564	-	-	-
Sub-rank		3,000	3,000	255	-	-	-	-	-	-
Massification Programme (Electricity)		-	-	-	-	10,000	10,000	6,861	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		32,596	45,414	55,217	39,852	60,716	60,716	66,997	41,905	45,386
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		96,728	114,602	137,992	145,213	166,077	166,077	170,966	149,714	159,393

**Table SA 20 Reconciliation of Transfers, Grant Receipts and Unspent Funds**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		–	823	–	–	–	–	–	–	–
Current year receipts		59,786	67,933	81,553	104,069	104,069	104,069	102,646	106,430	112,556
<b>Conditions met - transferred to revenue</b>		<b>58,963</b>	<b>68,756</b>	<b>81,553</b>	<b>104,069</b>	<b>104,069</b>	<b>104,069</b>	<b>102,646</b>	<b>106,430</b>	<b>112,556</b>
Conditions still to be met - transferred to liabilities		823	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		1,740	1,831	1,598	–	–	–	–	–	–
Current year receipts		946	1,255	1,046	1,292	1,313	1,313	1,323	1,379	1,451
<b>Conditions met - transferred to revenue</b>		<b>955</b>	<b>1,488</b>	<b>1,122</b>	<b>1,292</b>	<b>1,313</b>	<b>1,313</b>	<b>1,323</b>	<b>1,379</b>	<b>1,451</b>
Conditions still to be met - transferred to liabilities		1,731	1,598	1,522	–	–	–	–	–	–
<b>District Municipality:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		100	–	100	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		100	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>		<b>59,918</b>	<b>70,244</b>	<b>82,775</b>	<b>105,361</b>	<b>105,382</b>	<b>105,382</b>	<b>103,969</b>	<b>107,809</b>	<b>114,007</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>2,654</b>	<b>1,598</b>	<b>1,522</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		–	(9,796)	(7,335)	–	–	–	–	–	–
Current year receipts		20,371	29,514	46,789	39,852	45,152	45,152	60,136	41,905	45,386
<b>Conditions met - transferred to revenue</b>		<b>21,667</b>	<b>27,053</b>	<b>48,941</b>	<b>39,852</b>	<b>45,152</b>	<b>45,152</b>	<b>60,136</b>	<b>41,905</b>	<b>45,386</b>
Conditions still to be met - transferred to liabilities		(1,296)	(7,335)	(9,487)	–	–	–	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		2,418	13,185	9,405	–	–	–	–	–	–
Current year receipts		12,225	4,200	5,525	–	5,564	5,564	6,861	–	–
<b>Conditions met - transferred to revenue</b>		<b>1,458</b>	<b>12,120</b>	<b>10,416</b>	<b>–</b>	<b>5,564</b>	<b>5,564</b>	<b>6,861</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		13,185	5,265	4,514	–	–	–	–	–	–
<b>District Municipality:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Total capital transfers and grants revenue</b>		<b>23,125</b>	<b>39,173</b>	<b>59,357</b>	<b>39,852</b>	<b>50,716</b>	<b>50,716</b>	<b>66,997</b>	<b>41,905</b>	<b>45,386</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>11,889</b>	<b>(2,070)</b>	<b>(4,973)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>83,043</b>	<b>109,417</b>	<b>142,132</b>	<b>145,213</b>	<b>156,098</b>	<b>156,098</b>	<b>170,966</b>	<b>149,714</b>	<b>159,393</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>14,543</b>	<b>(472)</b>	<b>(3,451)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



**Table SA 21 Transfers and Grants Made by Municipality**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State <i>Free Basic Electricity - Eskom</i>	3	2,691	2,309	2,913	1,960	1,960	1,960	1,960	3,806	4,294	4,702
Total Cash Transfers To Other Organs Of State:		2,691	2,309	2,913	1,960	1,960	1,960	1,960	3,806	4,294	4,702
Cash Transfers to Organisations <i>Insert description</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals <i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>6</b>	<b>2,691</b>	<b>2,309</b>	<b>2,913</b>	<b>1,960</b>	<b>1,960</b>	<b>1,960</b>	<b>1,960</b>	<b>3,806</b>	<b>4,294</b>	<b>4,702</b>
Non-Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State <i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations <i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals <i>Indigents - Alternative cooking and lighting energy</i>	5				1,078	1,078	1,078	1,078	1,142	601	633
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	1,078	1,078	1,078	1,078	1,142	601	633
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>	<b>1,142</b>	<b>601</b>	<b>633</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>6</b>	<b>2,691</b>	<b>2,309</b>	<b>2,913</b>	<b>3,039</b>	<b>3,039</b>	<b>3,039</b>	<b>3,039</b>	<b>4,948</b>	<b>4,895</b>	<b>5,336</b>

**Table SA 22 Summary Councillors and Staff Benefits**

Summary of Employee and Councillor remuneration R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	4,255	5,112	5,304	5,275	5,111	5,111	5,663	6,002	6,363
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1,418	1,486	1,607	1,758	1,758	1,758	1,888	2,001	2,121
Cellphone Allowance	323	310	562	621	621	621	726	770	816
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	107	107	107	-	-	-
<b>Sub Total - Councillors</b>	<b>5,997</b>	<b>6,909</b>	<b>7,473</b>	<b>7,762</b>	<b>7,597</b>	<b>7,597</b>	<b>8,277</b>	<b>8,773</b>	<b>9,299</b>
<b>% increase</b>		<b>15.2%</b>	<b>8.2%</b>	<b>3.9%</b>	<b>(2.1%)</b>	-	<b>8.9%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	2,209	2,806	2,838	3,680	4,563	4,563	4,802	5,129	5,478
Pension and UIF Contributions	5	2	-	9	9	9	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	515	515	515	672	718	767
Motor Vehicle Allowance	235	24	179	-	-	-	-	-	-
Cellphone Allowance	17	6	34	0	0	0	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	147	29	105	-	-	-	-	-	-
Payments in lieu of leave	-	-	92	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>2,613</b>	<b>2,867</b>	<b>3,248</b>	<b>4,205</b>	<b>5,088</b>	<b>5,088</b>	<b>5,475</b>	<b>5,847</b>	<b>6,244</b>
<b>% increase</b>		<b>9.7%</b>	<b>13.3%</b>	<b>29.5%</b>	<b>21.0%</b>	-	<b>7.6%</b>	<b>6.8%</b>	<b>6.8%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	20,991	23,808	29,910	43,204	41,938	41,938	45,788	48,902	52,227
Pension and UIF Contributions	2,171	2,741	3,526	4,943	5,141	5,141	5,532	5,908	6,310
Medical Aid Contributions	1,268	1,516	1,646	1,521	1,557	1,557	1,675	1,789	1,911
Overtime	2,178	1,541	1,340	1,678	2,010	2,010	2,163	2,310	2,467
Performance Bonus	1,472	1,997	2,302	3,114	3,661	3,661	3,267	3,489	3,727
Motor Vehicle Allowance	1,208	1,229	1,983	1,701	1,676	1,676	1,803	1,925	2,056
Cellphone Allowance	47	53	72	83	56	56	60	64	69
Housing Allowances	30	28	31	29	146	146	158	168	180
Other benefits and allowances	456	890	925	289	771	771	839	896	957
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>29,821</b>	<b>33,802</b>	<b>41,734</b>	<b>56,561</b>	<b>56,957</b>	<b>56,957</b>	<b>61,286</b>	<b>65,453</b>	<b>69,904</b>
<b>% increase</b>		<b>13.4%</b>	<b>23.5%</b>	<b>35.5%</b>	<b>0.7%</b>	-	<b>7.6%</b>	<b>6.8%</b>	<b>6.8%</b>
<b>Total Parent Municipality</b>	<b>38,431</b>	<b>43,579</b>	<b>52,455</b>	<b>68,528</b>	<b>69,642</b>	<b>69,642</b>	<b>75,037</b>	<b>80,073</b>	<b>85,448</b>
		<b>13.4%</b>	<b>20.4%</b>	<b>30.6%</b>	<b>1.6%</b>	-	<b>7.7%</b>	<b>6.7%</b>	<b>6.7%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>32,434</b>	<b>36,670</b>	<b>44,982</b>	<b>60,765</b>	<b>62,045</b>	<b>62,045</b>	<b>66,760</b>	<b>71,300</b>	<b>76,148</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>32,434</b>	<b>36,670</b>	<b>44,982</b>	<b>60,765</b>	<b>62,045</b>	<b>62,045</b>	<b>66,760</b>	<b>71,300</b>	<b>76,148</b>



Table SA 23 Salaries, Allowances &amp; Benefits (Political Office Bearers/councilors/Senior Managers)

[illegible]

Table SA 24 Summary of Personnel Numbers

Summary of Personnel Numbers Number	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		27		27	27		27	29		29
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5	5			4		5	5	
Other Managers	7	4	4							
Professionals		-	-	-	-	-	-	-	-	-
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		61	58	-	61	59	-	69	69	-
Finance		30	27		30	27		35	35	
Spatial/town planning		3	3		3	3		5	5	
Information Technology										
Roads		28	28		28	28		28	28	
Electricity						1		1	1	
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		25	20		25	23		25	25	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		24	21		24	22		24	24	
Elementary Occupations		115	86		115	117		120	101	
<b>TOTAL PERSONNEL NUMBERS</b>	9	261	194	27	252	225	27	272	224	29
% increase					(3.4%)	16.0%	-	7.9%	(0.4%)	7.4%
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10	24	17	7	29	14	14	20	21	23
Human Resources personnel headcount	8, 10	3	3	3	3	1	1	4	4	4



**Table SA 25 Budgeted Monthly Revenue and Expenditure**

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>																
Property rates		2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	26,162	27,784	29,423
Property rates - penalties & collection charges		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue		3,033	3,033	3,033	3,033	3,033	3,033	3,033	3,033	3,033	3,033	3,033	3,033	36,402	39,314	42,459
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		751	751	751	751	751	751	751	751	751	751	751	751	9,010	9,731	10,510
Service charges - other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		56	56	56	56	56	56	56	56	56	56	56	60	674	716	758
Interest earned - external investments		163	163	163	163	163	163	163	163	163	163	163	174	1,966	2,090	2,214
Interest earned - outstanding debtors		452	452	452	452	452	452	452	452	452	452	452	483	5,458	5,796	6,138
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines		37	37	37	37	37	37	37	37	37	37	37	39	441	469	496
Licences and permits		133	133	133	133	133	133	133	133	133	133	133	143	1,611	1,710	1,811
Agency services		67	67	67	67	67	67	67	67	67	67	67	71	806	856	907
Transfers recognised - operational		43,885	—	—	—	35,109	—	—	—	26,332	—	—	—	105,326	109,254	115,526
Other revenue		86	86	86	86	86	86	86	86	86	86	86	92	1,041	1,105	1,170
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>50,844</b>	<b>6,959</b>	<b>6,959</b>	<b>6,959</b>	<b>42,068</b>	<b>6,959</b>	<b>6,959</b>	<b>6,959</b>	<b>33,291</b>	<b>6,959</b>	<b>6,959</b>	<b>7,026</b>	<b>188,899</b>	<b>198,826</b>	<b>211,413</b>
<b>Expenditure By Type</b>																
Employee related costs		5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	66,760	71,300	76,148
Remuneration of councillors		690	690	690	690	690	690	690	690	690	690	690	690	8,277	8,773	9,299
Debt impairment		836	836	836	836	836	836	836	836	836	836	836	892	10,084	10,302	9,460
Depreciation & asset impairment		734	734	734	734	734	734	734	734	734	734	734	734	8,803	8,333	7,633
Finance charges		92	92	92	92	92	92	92	92	92	92	92	92	1,106	1,204	1,336
Bulk purchases		2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	27,021	29,145	31,436
Other materials		978	978	978	978	978	978	978	978	978	978	978	1,036	11,798	12,522	16,880
Contracted services		1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	17,109	18,075	19,142
Transfers and grants		412	412	412	412	412	412	412	412	412	412	412	412	4,948	4,895	5,336
Other expenditure		3,393	3,393	3,393	3,393	3,393	3,393	3,393	3,393	3,393	3,393	3,393	3,525	40,844	42,670	43,550
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,375</b>	<b>16,622</b>	<b>196,749</b>	<b>201,220</b>	<b>220,420</b>
<b>Surplus/(Deficit)</b>		<b>34,469</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>25,693</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>16,916</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,596)</b>	<b>(7,850)</b>	<b>(6,393)</b>	<b>(9,007)</b>
Transfers recognised - capital		29,546	6,861	—	—	18,993	—	—	—	10,240	—	—	—	65,640	40,460	43,867
Contributions recognised - capital		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>64,015</b>	<b>(2,555)</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>44,686</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>27,156</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,596)</b>	<b>57,790</b>	<b>32,067</b>	<b>34,860</b>
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/(deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>		<b>64,015</b>	<b>(2,555)</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>44,686</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>27,156</b>	<b>(9,416)</b>	<b>(9,416)</b>	<b>(9,596)</b>	<b>57,790</b>	<b>32,067</b>	<b>34,860</b>



**Table SA 26 Monthly Revenue and Expenditure (Municipal Vote)**

R thousand	Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>			721	721	721	721	721	721	721	721	721	721	721	721	8,646	9,488	10,018
	Vote 1 - Governance and Administration		4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	52,772	56,558	62,658
	Vote 2 - Financial Services		1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	19,042	20,288	20,770
	Vote 3 - Corporate Services		1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	14,338	14,517	14,845
	Vote 4 - Community and Social Services		402	402	402	402	402	402	402	402	402	402	402	402	4,822	5,632	5,936
	Vote 5 - Sports and Recreation		740	740	740	740	740	740	740	740	740	740	740	740	8,889	9,568	9,695
	Vote 6 - Public Safety		23,129	1,113	1,113	1,113	15,266	1,113	1,113	8,743	1,113	1,113	1,114	57,151	41,024	42,540	42,540
	Vote 7 - Planning and Development		1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,190	14,186	15,342	15,757	15,757
	Vote 8 - Roads Transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 9 - Environmental Protection		141	141	141	141	141	141	141	141	141	141	141	1,697	1,942	2,028	2,028
	Vote 10 - Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 11 - Housing		12,148	9,961	3,100	3,100	8,916	3,100	3,100	3,100	3,100	3,100	2,630	61,589	52,660	57,825	57,825
	Vote 12 - Electricity Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 13 - Water Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 14 - Waste Water Management		950	950	950	950	950	950	950	950	950	950	963	11,409	12,279	13,208	13,208
	Vote 15 - Waste Management		46,590	22,387	15,526	15,526	35,495	15,526	15,526	26,292	15,526	15,526	15,093	254,539	239,286	255,280	255,280
<b>Expenditure by Vote to be appropriated</b>			1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	16,261	17,285	18,309
	Vote 1 - Governance and Administration		2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	27,619	28,313	29,150
	Vote 2 - Financial Services		2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,125	24,470	25,880	27,272	27,272
	Vote 3 - Corporate Services		1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,601	18,279	19,089	19,790	19,790
	Vote 4 - Community and Social Services		764	764	764	764	764	764	764	764	764	764	769	9,174	9,748	10,333	10,333
	Vote 5 - Sports and Recreation		915	915	915	915	915	915	915	915	915	915	977	11,041	12,021	12,747	12,747
	Vote 6 - Public Safety		1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,476	16,952	17,689	18,041	18,041
	Vote 7 - Planning and Development		1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,640	18,533	19,733	20,966	20,966
	Vote 8 - Roads Transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 9 - Environmental Protection		260	260	260	260	260	260	260	260	260	260	263	3,128	3,323	3,523	3,523
	Vote 10 - Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 11 - Housing		2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,631	35,623	37,923	44,520	44,520
	Vote 12 - Electricity Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 13 - Water Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 14 - Waste Water Management		1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,358	15,669	16,237	15,750	15,750
	Vote 15 - Waste Management		16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,851	196,749	207,220	220,420	220,420
<b>Total Expenditure by Vote</b>			30,236	6,033	(828)	(828)	19,141	(828)	(828)	9,938	(828)	(828)	(1,757)	57,790	32,067	34,860	34,860
<b>Surplus/(Deficit) before assoc.</b>			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Taxation			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1	<b>Surplus/(Deficit)</b>		30,236	6,033	(828)	(828)	19,141	(828)	(828)	9,938	(828)	(828)	(1,757)	57,790	32,067	34,860	34,860



Table SA 27 Monthly Revenue and Expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>																
<b>Governance and administration</b>		6,705	6,705	6,705	6,705	6,705	6,705	6,705	6,705	6,705	6,705	6,705	6,709	80,460	86,334	93,446
Executive and council	721	721	721	721	721	721	721	721	721	721	721	721	721	8,646	9,488	10,018
Budget and treasury office	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	52,772	56,558	62,658
Corporate services	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,590	19,042	20,288	20,770
<b>Community and public safety</b>	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,345	28,048	29,706	30,476
Community and social services	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,196	14,338	14,517	14,845
Sport and recreation	402	402	402	402	402	402	402	402	402	402	402	402	402	4,822	5,632	5,936
Public safety	740	740	740	740	740	740	740	740	740	740	740	740	747	8,889	9,558	9,695
Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>	5,944	5,944	5,944	5,944	5,944	5,944	5,944	5,944	5,944	5,944	5,944	5,944	5,955	71,336	56,366	58,238
Planning and development	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,764	57,151	41,024	42,540
Road transport	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,190	14,186	15,342	15,757
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>	6,121	6,121	6,121	6,121	6,121	6,121	6,121	6,121	6,121	6,121	6,121	6,121	5,665	72,998	64,339	71,033
Electricity	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	5,172	4,702	61,589	52,660	57,825
Water	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management	950	950	950	950	950	950	950	950	950	950	950	950	963	11,409	12,279	13,208
Waste management	141	141	141	141	141	141	141	141	141	141	141	141	141	1,687	1,842	2,028
<b>Other</b>	21,248	21,248	21,248	21,248	21,248	21,248	21,248	21,248	21,248	21,248	21,248	21,248	20,815	254,539	239,286	255,280
<b>Total Revenue - Standard</b>																
<b>Expenditure - Standard</b>																
<b>Governance and administration</b>		5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	6,136	68,350	71,478	74,731
Executive and council	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,637	16,261	17,285	18,309
Budget and treasury office	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,373	27,619	28,313	29,150
Corporate services	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,125	24,470	25,880	27,272
<b>Community and public safety</b>	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,347	38,494	40,338	42,870
Community and social services	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,601	18,279	19,059	19,790
Sport and recreation	764	764	764	764	764	764	764	764	764	764	764	764	769	9,174	9,748	10,333
Public safety	915	915	915	915	915	915	915	915	915	915	915	915	977	11,041	12,021	12,747
Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	3,116	35,485	37,421	39,026
Planning and development	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,476	16,992	17,689	18,041
Road transport	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,640	18,533	19,733	20,986
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	3,989	51,292	54,159	60,270
Electricity	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,631	35,623	37,323	44,520
Water	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,358	15,669	16,237	15,750
Waste management	260	260	260	260	260	260	260	260	260	260	260	260	263	3,128	3,323	3,523
<b>Other</b>	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,354	16,851	196,749	207,220	220,420
<b>Total Expenditure - Standard</b>																
Surplus/(Deficit) before assoc.		4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	3,964	57,790	32,067	34,860
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>		4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	3,964	57,790	32,067	34,860



Table SA 28 Budgeted Monthly Capital Expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1															
Multi-year expenditure to be appropriated																
Vote 1 - Governance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	40,779	27,460	28,867
Vote 8 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Services		2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	24,861	13,000	15,000
Vote 13 - Water Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	65,640	40,460	43,867
Single-year expenditure to be appropriated																
Vote 1 - Governance and Administration		900	-	-	-	-	-	-	-	-	-	-	-	900	-	-
Vote 2 - Financial Services		2,500	-	-	-	-	-	-	-	-	-	-	-	2,500	-	-
Vote 3 - Corporate Services		-	-	-	-	1,232	-	1,000	-	3,000	5,000	-	-	10,232	150	150
Vote 4 - Community and Social Services		-	-	-	350	-	-	-	-	-	-	-	-	350	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	550	-	-	-	-	-	-	-	-	-	-	550	-	-
Vote 7 - Planning and Development		-	36	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Other		-	-	200	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Services		-	-	-	2,000	-	-	-	-	-	-	-	-	2,000	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	3,400	586	200	2,350	1,232	-	1,000	-	3,000	5,000	-	-	16,768	10,297	5,700
Total Capital Expenditure	2	8,870	6,056	5,670	7,820	6,702	5,470	6,470	5,470	8,470	10,470	5,470	5,470	82,408	50,757	49,567



**Table SA 29 Budgeted Monthly Capital Expenditure (standard classification)**

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>	<b>1</b>	3,400	-	-	-	1,232	-	1,000	-	3,000	5,000	-	-	13,632	150	150
<i>Governance and administration</i>		900	-	-	-	-	-	-	-	-	-	-	-	900	-	-
Executive and council		2,500	-	-	-	-	-	-	-	-	-	-	-	2,500	-	-
Budget and treasury office		-	-	-	-	1,232	-	1,000	-	3,000	5,000	-	-	10,232	150	150
Corporate services		-	550	-	350	-	-	-	-	-	-	-	-	900	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	350	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	550	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		3,398	3,434	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	40,815	35,817	34,417
<i>Economic and environmental services</i>		3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	40,779	27,460	28,667
Planning and development		3,398	36	-	-	-	-	-	-	-	-	-	-	36	8,357	5,550
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	26,861	14,790	15,000
Trading services		2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	26,861	13,000	15,000
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	1,790	-
Other		-	-	200	-	-	-	-	-	-	-	-	-	200	-	-
<b>Total Capital Expenditure - Standard</b>	<b>2</b>	9,037	6,223	5,637	5,987	6,869	5,637	6,637	5,637	8,637	10,637	5,637	5,637	82,408	50,757	49,567
<b>Funded by:</b>																
National Government		4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	58,779	40,460	43,667
Provincial Government		572	572	572	572	572	572	572	572	572	572	572	572	6,861	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	5,470	65,640	40,460	43,667
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		900	550	-	350	1,000	-	1,000	-	3,000	5,000	-	-	10,800	9,397	4,800
Internally generated funds		2,500	-	-	2,000	-	-	-	-	468	-	-	-	5,968	900	900
<b>Total Capital Funding</b>		8,870	6,020	5,470	7,820	6,470	5,470	6,470	5,470	8,938	10,470	5,470	5,470	82,408	50,757	49,567



**Table SA 30 Budgeted Monthly Cash Flow**

MONTHLY CASH FLOWS		Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sep.1	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Receipts By Source</b>																
Property rates	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,373	16,482	20,574	24,524
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2,973	2,973	2,973	2,973	2,973	2,973	2,973	2,973	2,973	2,973	2,973	2,973	2,973	35,674	39,258	42,395
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	263	263	263	263	263	263	263	263	263	263	263	263	263	3,154	11,041	9,592
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	56	56	56	56	56	56	56	56	56	56	56	56	56	671	709	751
Interest earned - external investments	163	163	163	163	163	163	163	163	163	163	163	163	163	1,957	2,071	2,191
Interest earned - outstanding debtors	452	452	452	452	452	452	452	452	452	452	452	452	452	5,427	5,742	6,075
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	37	37	37	37	37	37	37	37	37	37	37	37	37	439	464	491
Licences and permits	133	133	133	133	133	133	133	133	133	133	133	133	133	1,601	1,694	1,793
Agency services	67	67	67	67	67	67	67	67	67	67	67	67	67	802	848	897
Transfer receipts - operational	43,885	-	-	-	-	35,109	-	-	-	26,332	-	-	-	105,326	109,254	115,526
Other revenue	86	86	86	86	86	86	86	86	86	86	86	86	86	1,035	1,095	1,158
<b>Cash Receipts by Source</b>	<b>49,488</b>	<b>5,603</b>	<b>5,603</b>	<b>5,603</b>	<b>5,603</b>	<b>40,712</b>	<b>5,603</b>	<b>5,603</b>	<b>5,603</b>	<b>31,935</b>	<b>5,603</b>	<b>5,603</b>	<b>5,604</b>	<b>172,567</b>	<b>192,750</b>	<b>205,393</b>
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	29,546	6,861	-	-	-	18,993	-	-	-	10,240	-	-	-	65,640	40,460	43,867
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	3,050	-	-	-	-	-	-	-	-	-	-	-	-	3,050	4,107	4,800
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>82,084</b>	<b>12,464</b>	<b>5,603</b>	<b>5,603</b>	<b>5,603</b>	<b>59,705</b>	<b>5,603</b>	<b>5,603</b>	<b>5,603</b>	<b>42,175</b>	<b>5,603</b>	<b>5,603</b>	<b>5,604</b>	<b>241,257</b>	<b>237,317</b>	<b>254,060</b>
<b>Cash Payments by Type</b>																
Employee related costs	5,574	5,574	5,574	5,574	5,574	5,574	5,574	5,574	5,574	5,574	5,574	5,574	5,446	66,760	71,300	76,148
Remuneration of councillors	667	667	667	667	667	667	667	667	667	667	667	667	935	8,277	8,773	9,299
Finance charges	92	92	92	92	92	92	92	92	92	92	92	92	92	1,106	1,204	1,336
Bulk purchases - Electricity	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	1,898	27,021	29,145	31,436
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	959	959	959	959	959	959	959	959	959	959	959	959	959	11,505	12,168	16,420
Contracted services	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	16,767	17,647	18,671
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	412	412	412	412	412	412	412	412	412	412	412	412	412	4,948	4,895	5,336
Transfers and grants - other	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	18,224	36,944	37,335
Other expenditure	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,660	154,607	182,076	195,980
<b>Cash Payments by Type</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,904</b>	<b>12,660</b>	<b>154,607</b>	<b>182,076</b>	<b>195,980</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	6,222	74,658	45,467	49,567
Repayment of borrowing	289	289	289	289	289	289	289	289	289	289	289	289	289	3,470	4,253	5,491
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,415</b>	<b>19,170</b>	<b>232,736</b>	<b>231,797</b>	<b>251,039</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>62,669</b>	<b>(6,951)</b>	<b>(13,812)</b>	<b>(13,812)</b>	<b>40,290</b>	<b>(13,812)</b>	<b>(13,812)</b>	<b>(13,812)</b>	<b>22,760</b>	<b>(13,812)</b>	<b>(13,812)</b>	<b>(13,567)</b>	<b>8,521</b>	<b>5,521</b>	<b>3,021</b>
Cash/cash equivalents at the month/year begin:		10,564	73,233	66,283	52,471	38,660	78,950	65,138	51,327	37,515	60,275	46,464	32,652	10,564	19,086	24,606
Cash/cash equivalents at the month/year end:		73,233	66,283	52,471	38,660	78,950	65,138	51,327	37,515	60,275	46,464	32,652	19,086	19,086	24,606	27,628



**Table SA 31 Municipality does not have entities**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R million</b>										
<b>Financial Performance</b>										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational										
Other own revenue										
Contributions recognised - capital & contributed assets										
<b>Total Revenue (excluding capital transfers and contribution)</b>		-	-	-	-	-	-	-	-	-
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment										
Finance charges										
Materials and bulk purchases										
Transfers and grants										
Other expenditure										
<b>Total Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	-	-
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>										
Transfers recognised - operational										
Public contributions & donations										
Borrowing										
Internally generated funds										
<b>Total sources</b>		-	-	-	-	-	-	-	-	-
<b>Financial position</b>										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Equity										
<b>Cash flows</b>										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
<b>Cash/cash equivalents at the year end</b>										



**Table SA 32 List of External Mechanisms**

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Best 2 Electrical	Yrs	3	Repairs and maintenance of electrical networks including m	31 January 2018	1,452
Sigma IT	Yrs	3	Maintenance of municipal IT equipment	28 February 2017	1,242
Metgovis	Yrs	Ongoing	Maintenance of the general valuation system	N/a	
Telkom	Yrs	5	Hire of telecommunication systems	30 April 2017	
BPG Mass Appraisals	Yrs	5	Preparation of general valuation roll	30 November 2017	660
Fujitsu	Yrs	Ongoing	Licence for the financial system	N/a	1,592
Pongola Advertiser	Mths	Ongoing	Maintenance of website	N/a	180
Mvimbeni Security Services	Yrs		Provision of security services at municipal buildings	30 April 2017	—
Payday	Yrs		Rental of Salaries system	30 September 2018	1,300
Induna Construction	Mths	12	Landfill site maintenance	30 June 2013	1,665
Tactical Security	Mths	12	Provision of security services to mayor and speaker	ongoing	1,380

**Table SA 33 Contracts having future budgetary implications**

Description	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
	Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>													
<u><b>Revenue Obligation By Contract</b></u>													
<i>Brecher</i>	21	-	-	-	-	-	-	-	-	-	-	-	21
<i>Independent Electoral Commission</i>	277	144	153	161	171	179	190	202	214	226	240	254	2,411
<i>Johnstone</i>	116	46	49	51	54	-	-	-	-	-	-	-	316
<i>Primedia</i>	74	46	49	52	55	57	61	65	68	73	77	81	757
<i>Straten Investments (Pty) Ltd</i>	24	8	9	9	10	10	11	12	12	13	14	15	149
<i>Oasi Toerisme</i>	69	72	77	81	86	-	-	-	-	-	-	-	384
<i>Vodacom</i>	10	11	11	12	13	13	14	15	16	17	18	19	166
<b>Total Operating Revenue Implication</b>	<b>590</b>	<b>327</b>	<b>347</b>	<b>367</b>	<b>388</b>	<b>260</b>	<b>276</b>	<b>293</b>	<b>310</b>	<b>329</b>	<b>349</b>	<b>369</b>	<b>4,205</b>
<u><b>Expenditure Obligation By Contract</b></u>													
<i>Induna</i>		1,643	1,741	1,842	1,949	-	-	-	-	-	-	-	7,176
<i>Financial system maintenance</i>		665	705	746	789	829	878	931	987	1,046	1,109	1,175	9,860
<i>Metgova</i>		452	479	507	536	563	597	633	671	711	754	799	17,037
<i>Mvimbeni Security</i>		2,930	3,106	3,286	3,477	3,651	3,870	4,102	4,348	4,609	4,886	5,179	43,445
<i>Tactical Security</i>		3,526	-	-	-	-	-	-	-	-	-	-	3,526
<i>Payday</i>		166	176	186	197	207	219	232	246	261	276	293	46,971
<i>Sigma IT</i>		362	384	407	430	-	-	-	-	-	-	-	1,583
<i>BPG Mass Appraisals</i>		142	150	159	168	176	187	198	210	223	236	250	2,099
<i>Best 2 Electrical</i>		553	586	620	656	-	-	-	-	-	-	-	2,414
<b>Total Parent Expenditure Implication</b>		<b>10,439</b>	<b>7,328</b>	<b>7,753</b>	<b>8,202</b>	<b>5,426</b>	<b>5,751</b>	<b>6,096</b>	<b>6,462</b>	<b>6,850</b>	<b>7,261</b>	<b>7,696</b>	<b>79,263</b>



**Table SA 34 a Capital Expenditure on New Assets By Asset Class**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	17,410	29,576	–	31,671	46,971	46,971	44,261	40,460	43,867	
Infrastructure - Road transport		14,277	19,177	–	18,171	23,471	23,471	17,400	27,460	28,867	
Roads, Pavements & Bridges		14,277	19,177		18,171	23,471	23,471	17,400	27,460	28,867	
Storm water											
Infrastructure - Electricity		3,133	10,399	–	13,500	23,500	23,500	26,861	13,000	15,000	
Generation											
Transmission & Reticulation		3,133	8,345		13,500	23,500	23,500	26,861	13,000	15,000	
Street Lighting			2,054								
Infrastructure - Water		–	–	–	–	–	–	–	–	–	
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	
Reticulation											
Sewerage purification											
Infrastructure - Other		–	–	–	–	–	–	–	–	–	
Waste Management											
Transportation											
Gas											
Other											
Community		3	–	1,559	–	8,288	13,852	13,852	23,379	–	–
Parks & gardens		7		1,071		2,488	2,488	2,488	16,779		
Sportsfields & stadia											
Swimming pools											
Community halls			276			3,400	3,400	3,400	5,000		
Libraries											
Recreational facilities			212			2,400	7,964	7,964	1,600		
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets	9	–	–	–	–	–	–	–	–	–	
Buildings											
Other											
Investment properties	10	–	–	–	–	–	–	–	–	–	
Housing development											
Other											
Other assets	10	1,822	11,435	–	13,783	13,783	13,783	13,836	7,248	1,950	
General vehicles		3,102	–	–	5,000	5,000	5,000	350	–	1,200	
Specialised vehicles		–	1,016	–	2,050	2,050	2,050	550	1,800	–	
Plant & equipment		144	61	–	1,553	1,553	1,553	2,236	5,448	750	
Computers - hardware/equipment		257	135	–	1,148	1,148	1,148				
Furniture and other office equipment		205	30	–	632	632	632				
Abattoirs		–	–	–	–	–	–				
Markets		1,191	2,522	–	–	–	–				
Civic Land and Buildings		15	–	–	8,000	3,000	3,000	8,000			
Other Buildings			1,322	–	400	400	400	200			
Other Land		9		–							
Surplus Assets - (Investment or Inventory)											
Other			3,248	–				2,500			
Agricultural assets			–	–	–	–	–	–	–	–	
List sub-class											
Biological assets			–	–	–	–	–	–	–	–	
List sub-class											
Intangibles		–	–	–	–	–	–	–	–		
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on new assets	1	19,232	42,570	–	53,742	74,605	74,605	81,476	47,708	45,817	
Specialised vehicles		–	1,016	–	2,050	2,050	2,050	550	1,800	–	
Refuse		–	1,016	–	1,500	1,500	1,500	–	1,800	–	
Fire		–	–	–	550	550	550	550	–	–	
Conservancy											
Ambulances											



Table SA 34 b Capital Expenditure on the Renewal of Existing Assets (by asset class)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	-	-	2,590	2,090	2,090	932	3,059	3,750
General vehicles								900	1,200	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment					2,000	2,000	2,000	32	1,709	3,600
Computers - hardware/equipment					500	-	-	-	150	150
Furniture and other office equipment					90	90	90			
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing asset</b>	1	-	-	-	2,590	2,090	2,090	932	3,059	3,750
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	4.6%	2.7%	2.7%	1.2%	6.7%	7.6%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	33.1%	26.7%	26.7%	10.6%	36.7%	47.9%



Table SA 34c Repairs and Maintenance Expenditure (by asset class)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand	1										
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	7,372	7,552	7,079	14,156	14,206	14,206	15,245	16,229	20,881	
Infrastructure - Road transport		6,303	6,300	5,947	11,362	11,312	11,312	12,119	12,910	13,734	
Roads, Pavements & Bridges		6,246	6,276	5,658	11,276	10,826	10,826	11,601	12,359	13,151	
Storm water		57	23	289	86	486	486	518	550	583	
Infrastructure - Electricity		1,069	1,252	1,131	2,794	2,894	2,894	3,125	3,319	7,147	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		1,035	1,029	1,130	2,651	2,451	2,451	2,792	2,965	6,772	
Street Lighting		35	224	2	144	444	444	333	354	375	
Infrastructure - Water		-	-	-	-	-	-	-	-	-	
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation											
Sewerage purification											
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management											
Transportation											
Gas											
Other											
Community		7	-	-	-	-	-	-	-	-	-
Parks & gardens											
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets	9		-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	1,010	3,576	3,293	4,192	4,506	4,506	5,182	5,506	5,832	
General vehicles		430	1,475	774	1,249	1,560	1,560	1,663	1,766	1,871	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		63	59	61	70	143	143	152	162	171	
Computers - hardware/equipment		15	18	18	92	5	5	5	5	6	
Furniture and other office equipment		-	-	-	-	-	-	-	-	-	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		-	-	-	-	-	-	-	-	-	
Civic Land and Buildings		502	2,018	2,437	2,743	2,710	2,710	3,268	3,473	3,679	
Other Buildings		-	-	-	-	-	-	-	-	-	
Other Land		1	5	4	38	88	88	94	100	106	
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	8,382	11,127	10,372	18,349	18,712	18,712	20,427	21,735	26,713	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											
R&M as a % of PPE		6.7%	7.0%	4.1%	6.9%	5.9%	5.9%	5.4%	5.2%	5.8%	
R&M as % Operating Expenditure		8.1%	8.1%	6.7%	9.9%	10.1%	10.1%	10.4%	10.5%	12.1%	



Table SA 34 d Depreciation by Asset Class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		2,104	3,265	5,391	6,347	6,347	6,347	7,838	6,548	6,198
Infrastructure - Road transport		1,970	3,096	4,542	4,528	4,528	4,528	4,826	4,437	4,169
Roads, Pavements & Bridges		1,970	3,096	4,542	4,528	4,528	4,528	4,826	4,437	4,169
Storm water										
Infrastructure - Electricity		134	169	849	1,819	1,819	1,819	3,012	2,111	2,029
Generation										
Transmission & Reticulation		134	169	849	1,819	1,819	1,819	3,012	2,111	2,029
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
<b>Community</b>		-	-	-	428	428	428	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls					428	428	428	-	-	-
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		2,232	1,341	2,439	1,036	1,036	1,036	442	1,285	1,135
General vehicles		532	180	783	215	215	215	92	267	236
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		738	452	588	254	254	254	108	315	278
Computers - hardware/equipment		166	100	210	73	73	73	31	91	80
Furniture and other office equipment		313	189	281	86	86	86	37	107	95
Abattoirs										
Markets										
Civic Land and Buildings		483	420	578	407	407	407	174	505	446
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	27	-	-	-	523	500	500
Computers - software & programming				27				523	500	500
Other (list sub-class)										
<b>Total Depreciation</b>	<b>1</b>	<b>4,335</b>	<b>4,606</b>	<b>7,857</b>	<b>7,810</b>	<b>7,810</b>	<b>7,810</b>	<b>8,803</b>	<b>8,333</b>	<b>7,833</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										



**Table SA 35 Future Financial Implications of the Budget**

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<b>Capital expenditure</b>	1							
Vote 1 - Governance and Administration		900	-	-	-	-	-	-
Vote 2 - Financial Services		2,500	-	-	-	-	-	-
Vote 3 - Corporate Services		10,232	150	150	-	-	-	-
Vote 4 - Community and Social Services		350	-	-	-	-	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-
Vote 6 - Public Safety		550	-	-	-	-	-	-
Vote 7 - Planning and Development		40,779	27,460	28,867	30,599	32,400	34,381	-
Vote 8 - Roads Transport		36	8,357	5,550	-	-	-	-
Vote 9 - Environmental Protection		-	-	-	-	-	-	-
Vote 10 - Other		200	-	-	-	-	-	-
Vote 11 - Housing		-	-	-	-	-	-	-
Vote 12 - Electricity Services		26,861	13,000	15,000	15,900	16,800	17,865	-
Vote 13 - Water Services		-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-
Vote 15 - Waste Management		-	1,790	-	-	-	-	-
List entity summary if applicable								
<b>Total Capital Expenditure</b>		82,408	50,757	49,567	46,499	49,200	52,246	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Governance and Administration		-	-	-	-	-	-	-
Vote 2 - Financial Services		-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	-	-	-	-	-
Vote 8 - Roads Transport		-	-	-	-	-	-	-
Vote 9 - Environmental Protection		-	-	-	-	-	-	-
Vote 10 - Other		-	-	-	-	-	-	-
Vote 11 - Housing		-	-	-	-	-	-	-
Vote 12 - Electricity Services		-	-	-	-	-	-	-
Vote 13 - Water Services		-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-
List entity summary if applicable		-	-	-	-	-	-	-
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
List other revenues sources if applicable		-	-	-	-	-	-	-
List entity summary if applicable		-	-	-	-	-	-	-
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		82,408	50,757	49,567	46,499	49,200	52,246	-



Table SA 36 Detail Capital Budget

Municipal Vial/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	2016/17 Medium Term Revenue & Expenditure Framework			Project Information	
									Prior year outcomes		Budget Year +1 2017/18		Budget Year +2 2018/19
R thousand			2	6	3	3	5	Audited Outcome 2016/15	Current Year 2019/16 Full Year Forecast	Budget Year 2018/17			
Corporate Services	Motor vehicles			Yes	Other Assets	General vehicles			726				
Water Management	Motor vehicles			Yes	Other Assets	Specialised vehicles - Refuse			350	1,105			New
Corporate Services	Machinery and equipment			Yes	Other Assets	Plant & equipment			615	924			New
Corporate Services	Computer equipment			Yes	Other Assets	Computers - hardware/equipment				3,000	3,000		New
Corporate Services	Disaster building			Yes	Infrastructure - Other	Buildings				400			New
Corporate Services	Pavements			Yes	Other Assets	Other Buildings			368	632			New
Corporate Services	Furniture and equipment			Yes	Other Assets	Furniture and other office equipment				2			New
Financial Services	Furniture and equipment			Yes	Other Assets	Furniture and other office equipment				500			New
Financial Services	Financial system			Yes	Intangibles	Other							New
Technical Services	Introduce cultural village			Yes	Community	Museums & Art Galleries			22,118	5,564			New
Technical Services	Access roads			Yes	Community	Roads, Pavements & Bridges				23,471	3,400		New
Technical Services	Community halls			Yes	Community	Community halls			11,078	2,400			New
Technical Services	Churches			Yes	Community	Recreational facilities				2,468			New
Technical Services	Sport fields			Yes	Community	Sportfields & stadia				275			New
Technical Services	Tools for mechanic			Yes	Other Assets	Plant & equipment				15			New
Planning and Development	Computer equipment			Yes	Other Assets	Computers - hardware/equipment				90			New
Library	Furniture and equipment			Yes	Other Assets	Furniture and other office equipment				50			New
Library	Machinery and equipment			Yes	Other Assets	Plant & equipment				180			New
Disaster	Pavements			Yes	Other Assets	Other Buildings				550			New
Disaster	Response vehicle - fire			Yes	Other Assets	Specialised vehicles - Fire					550		New
Roads	Landed			Yes	Other Assets	Transportation				2,500			New
Roads	Grader			Yes	Other Assets	Plant & equipment				4,500			New
Solid Waste	Refuse truck			Yes	Other Assets	Specialised vehicles - Refuse				1,500			New
Solid Waste	Dustbins			Yes	Other Assets	Plant & equipment			20,828	150			New
Electricity	Installation of electricity infrastructure			Yes	Other Assets	Transmission & Distribution					18,000		Various
Electricity	Installation of electricity infrastructure			Yes	Other Assets	Transmission & Distribution					6,861		Various
Electricity	Installation of electricity infrastructure			Yes	Other Assets	Transmission & Distribution					2,000		Ward 1
Electricity	Installation of electricity infrastructure			Yes	Other Assets	Transmission & Distribution					4,700		Ward 14
Electricity	Installation of electricity infrastructure			Yes	Other Assets	Transmission & Distribution					8,000		Ward 11
Technical Services	Access roads			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					4,700		Ward 3
Technical Services	Tarring of road (km)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					8,000		Ward 4
Technical Services	Community halls			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2,500		Ward 4
Technical Services	Community halls			Yes	Community	Community halls					2,500		Ward 6
Technical Services	Malapurpose Centre - Ntobane			Yes	Community	Community halls					1,719	3,310	Ward 10
Technical Services	Churches			Yes	Community	Recreational facilities					800		Ward 13



Table SA 36 Detail Capital Budget (Continued)

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	2016/17 Medium Term Revenue & Expenditure Framework				Project Information	
									Prior year outcomes	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
R thousand			2	6	3	3	5		Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast				
Technical Services	Creches			Yes	Community	Recreational facilities					800		Ward 9	New
Technical Services	Sportfields			Yes	Community	Sportfields & stadia					15,000		Ward 10	New
Technical Services	Paving of Main Street - Bergende			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2,860		Ward 5	New
Technical Services	Paving road - ZCC to Shunye			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2,860		Ward 13	New
Technical Services	Paving road - N2 to Thandokhanya			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2,860		Ward 7	New
Technical Services	Paving road - Magdella to Srandile Street			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2,860		Ward 2	New
Technical Services	Access roads			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2,860			New
Technical Services	Access roads			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					4,767		Ward 6	New
Technical Services	Access roads			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					3,814		Ward 9	New
Technical Services	Creches			Yes	Community	Recreational facilities					669		Ward 1	New
Technical Services	Access roads			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					13,000	28,867	Various	New
Electricity	Installation of electricity infrastructure			Yes	Other Assets	Transmission & Refurbishment						15,000	Various	New
Community Services	Motor vehicle - Pound			Yes	Other Assets	Transportation					350			New
Technical Services	Tipper truck			Yes	Other Assets	Transportation						1,200		New
Community Services	Refuse truck			Yes	Other Assets	Specialised vehicles - Refuse					1,800			New
Technical Services	Paint, machinery and tools			Yes	Other Assets	Paint & equipment					750			New
Corporate Services	Generator			Yes	Other Assets	Paint & equipment								New
Technical Services	Streetsweeper			Yes	Other Assets	Paint & equipment					98			New
Technical Services	Ride-on Grd Compactor			Yes	Other Assets	Transportation					1,100			New
Technical Services	Motor vehicle - 4x bakkies			Yes	Other Assets	Paint & equipment					1,200			New
Technical Services	TLB			Yes	Other Assets	Paint & equipment					686			New
Technical Services	D4 Dozer			Yes	Other Assets	Paint & equipment					1,023			New
Technical Services	Trailer			Yes	Other Assets	Paint & equipment					36			New
Tourism	Parlour			Yes	Other Assets	Other Buildings					200			New
Financial Services	Accounting software			Yes	Intangibles	Computers - software & programming					2,500			New
Technical Services	Paint, machinery and tools			Yes	Other Assets	Paint & equipment								Renewal
Technical Services	Grader			Yes	Other Assets	Paint & equipment						3,600		Renewal
Corporate Services	Computer equipment			Yes	Other Assets	Computers - hardware/equipment					150			Renewal
Council	Motor vehicle - Mayor			Yes	Other Assets	Buildings						150		Renewal
Corporate Services	Extension of office buildings			Yes	Other Assets	Computers - software & programming								New
Corporate Services	Electronic Records Management			Yes	Other Assets	Paint & equipment								New
Roads	Grader			Yes	Other Assets	Paint & equipment					3,500			New
Parent Capital expenditure									56,104	77,196	82,408	50,767		-



Table 37 Projects delayed from previous years

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
								Original Budget	Full Year Forecast			
Parent municipality: List all capital projects grouped by Municipal Vote												
Technical Services		Community Hall - Ward 12	402/05/14	Community	Community halls			1,751	1,751		-	-
Technical Services		Community Hall - Ward 14	435/10/15	Community	Community halls			2,928	2,928		-	-
Technical Services		Community Hall - Ward 9	436/10/15	Infrastructure - Road Transport	Roads, Pavements & Bridges			2,855	2,855	2,855	-	-
Technical Services		Access Road - Ward 4	432/09/15	Infrastructure - Road Transport	Roads, Pavements & Bridges			3,797	3,797		-	-
Technical Services								4,499	4,499		-	-

## ANNEXURE A

### IMPLEMENTATION OF MUNICIPAL CHART OF ACCOUNTS

#### Preamble

uPhongolo municipality was not one of the piloting municipalities.

#### Progress made to date

- The mSCOA Regulations were table in the council meeting and were approved by the council.
- The terms of reference have been prepared and approved by the council.
- The mSCOA Steering Committee has been established. However, the vacant posts of Corporate and Technical Directors have somewhat affected the progress made to date.
- Workshops organized by National and Provincial Treasury have been attended. Key finance personnel have been trained on mSCOA. However, the other members of the Steering Committee have not yet received training.
- The mSCOA Implementation Plan been prepared and approved by Council. The Plan is modified as new information becomes available.
- uPhongolo Municipality Risk Register has been developed. The following high-level risks have been identified:
  - a) System not function as intended on July 2017.
  - b) Organisation not understanding the mSCOA requirements and therefore incorrect data capturing.
  - c) Readiness of the solution to actually cope with the transactional processing.
  - d) mSCOA not meeting the needs of the internal and external stakeholders.
  - e) Inadequate assurance reviews – independent assessment that the system meets minimum SCOA requirements and is fully compliant.
  - f) Service providers not compliant to the requirements of mSCOA.
  - g) Inadequate capacity (financial and human) to implement the SCOA regulations.
  - h) Resistance or lack of buy-in by relevant stakeholder.
  - i) Security, privacy, integrity and loss of data.
  - j) ICT network capacity – capital budget availability to ensure acquire appropriate hardware infrastructure for mSCOA implementation and to accommodate the “web-based system” required to effectively run the mSCOA compliant solution.
  - k) Inaccurate reporting.
  - l) Delays in reporting.
  - m) Incompatible hardware and/or software.
- Two vendors have demonstrated their systems but not final decision has been taken pending the finalization of the National Treasury transversal tender.
- A new file server and related hardware has been installed.
- The classification of accounts in line with mSCOA is in progress.

## mSCOA Implementation Plan

### Main Activities & Key Dates

The following are the Activities with the associated Key Dates for the SCOA Implementation Plan for uPhongolo Municipality:

Activity	Action Date	Person Responsible	Progress
Present to Council the SCOA Regulation	30/11/2014	CFO	Presented to Council
Appoint a project sponsor, project owner and project manager	28/02/2015	Municipal Manager	Appointed
Establish an operational project Steering Committee with senior representation from all directorates within the municipality	30/06/2015	Municipal Manager	Established
Develop and approve terms of reference for the Project Steering Committee, including the roleplayers, frequency of meetings, etc.	30/06/2016	Municipal Manager	Done
Incorporate mSCOA responsibilities in the Performance Agreements, Performance Evaluation and other applicable documentation for the Senior Managers.	??	Municipal Manager PMS Officer	To discuss with PMS
Table to Council a High Level Project Plan and obtain approval for implementation.	29/06/2015	Municipal Manager CFO	Presented to Council
Attendance of mSCOA NT/PT training session.	As per NT & PT Schedule(s)	CFO Budget Manager Income Accountant Expenditure Accountant	Ongoing



Activity	Action Date	Person Responsible	Progress
Update of implementation to Council	As per Exco & Council meeting schedule(s)	Municipal Manager CFO	Will be done once PT has advised of selected vendors
Update Vote/Sub-vote to be in line with organizational structure and payroll.	01/07/2015-30/06/2016	CFO Director Corporate Services	Partially done by Payday
Approve revised Votes/Sub-votes as part of roll over Adjustment Budget.	30/12/2016		O/s
Map previous and current year information to SCOA.	30/12/2016	Budget Manager	O/s
Submit Adjustment Budget in SCOA format (GFS classification).	28/02/2017	CFO Budget Manager	O/s
Approval of MTREF 2016/17 – 2018/19 in SCOA format	31/03/2017	CFO	O/s
Compile Annual Financial Statements in current format	31/08/2017	CFO	O/s
Final System decision	31/12/2015	Municipal Manager CFO	Outstanding
Upgrade file server to be fully compliant with mSCOA.	31/12/2015	Sigma IT	Completed

Activity	Action Date	Person Responsible	Progress
Upgrade server room to be fully compliant – fire proof tiles, raised floor, smoke detectors and access control.	31/12/2015	Sigma IT Technical Services Manager	Completed
Backup to a second server not situated on municipal property – secured for IT officials access only.	31/12/2016	Sigma IT	O/s
Develop policies, plans and procedures	31/07/2015	Sigma IT	All policies, plans and procedures developed. IT Master Systems Plan (MSP) to be presented to Council in July 2015

The municipality has budgeted R2,5 million for the mSCOA financial system which will partly be funded from the Finance Management Grant. A new server has been acquired which will be more than adequate for the financial system. The server room has been upgraded in terms of the recommendations of the Auditor General.

## ANNEXURE B

### UPHONGOLO LOCAL MUNICIPALITY-TARIFFS OF CHARGES

#### PROPERTY RATES

	APPROVED TARIFF	APPROVED TARIFF	
	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
CATEGORY OF PROPERTY			
Residential	R 0.012683	0.013698	8.00
Municipal	R 0.000000	0.000000	0.00
Business and Commercial	R 0.015854	0.017122	8.00
Vacant Land	R 0.015854	0.017122	8.00
State-Owned	R 0.015854	0.017122	8.00
Rural Communal Land	R 0.015854	0.017122	8.00
Farm used for agricultural purposes	R 0.003171	0.003425	8.00
Farm used for other business and commercial purposes	R 0.015854	0.017122	8.00
Farm used for residential purposes	R 0.012683	0.013698	8.00
Farm not used for any purpose	R 0.015854	0.017122	8.00
Public Service Infrastructure	R 0.003171	0.003425	8.00
Specialised/ special non-market	R 0.015854	0.017122	8.00

For rebates and interest/penalty charges, please refer to the Municipal Property Rates and Credit Control and Debt Collection Policies.

*All the above tariffs are subject to Value Added Tax at Zero rate*

#### CEMETERY FEES

#### NCOTSHANE GRAVEYARD

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
TARIFF DESCRIPTION			
Per grave-adult: resident of the municipality	R 693.94	R 739.74	6.60
Per grave-child: resident of the municipality	R 180.81	R 192.74	6.60
Per grave-adult/child: non-resident of the municipality	R 1,508.87	R 1,608.46	6.60
Indigent Burials-residents of the municipality only			
Family combined income p/m-R 0.00-R 3 000.00 per grave-adult	R 0.00	R 0.00	-
Family combined income p/m-R 0.00-R 3 000.00 per grave-child	R 0.00	R 0.00	-
Family combined income p/m-R 3 000.01-R 4 000.00 per grave-adult	R 346.97	R 369.87	6.60
Family combined income p/m-R 3 000.01-R 4 000.00 per grave-child	R 90.41	R 96.37	6.60
Family combined monthly income-R 4 000.01-R 5 000.00 per grave-adult	R 485.76	R 517.82	6.60
Family combined monthly income-R 4 000.01-R 5 000.00 per grave-child	R 126.57	R 134.92	6.60
Pauper burials: Grave cost as mentioned above			

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*



# PONGOLA GRAVE YARD

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Burial during the week (Monday-Friday)			
Per grave-adult: resident of the municipality	R 1,508.87	R 1,608.46	6.60
Per grave-child: resident of the municipality	R 376.22	R 401.05	6.60
Per grave-adult/child: non-resident of the municipality	R 1,813.29	R 1,932.97	6.60
Double grave-adult/child: resident of the municipality	R 1,207.09	R 1,286.76	6.60
Double grave-adult/child: non-resident of the municipality	R 2,718.61	R 2,898.04	6.60
Burial on a weekend (Saturday and Sunday)			
Per grave-adult/child: resident of the municipality	R 4,531.91	R 4,831.02	6.60
Per grave-adult/child: non-resident of the municipality	R 10,207.00	R 10,880.66	6.60
Pauper burials: Grave cost as mentioned above			

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

## BELGRADE GRAVEYARD

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Per grave-adult: resident of the municipality	R 693.94	R 739.74	6.60
Per grave-child: resident of the municipality	R 180.81	R 192.74	6.60
Per grave-adult/child: non-resident of the municipality	R 1,661.75	R 1,771.43	6.60
Indigent Burials-residents of the municipality only			
Family combined income p/m-R 0.00-R 3 000.00 per grave-adult	R 0.00	R 0.00	-
Family combined income p/m-R 0.00-R 3 000.00 per grave-child	R 0.00	R 0.00	-
Family combined income p/m-R 3 000.01-R 4 000.00 per grave-adult	R 346.97	R 369.87	6.60
Family combined income p/m-R 3 000.01-R 4 000.00 per grave-child	R 90.41	R 96.37	6.60
Family combined monthly income-R 4 000.01-R 5 000.00 per grave-adult	R 485.76	R 517.82	6.60
Family combined monthly income-R 4 000.01-R 5 000.00 per grave-child	R 126.57	R 134.92	6.60
Pauper burials: Grave cost as mentioned above			

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

## REFUSE REMOVAL

### BELGRADE AREA

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Residential dwellings per bin-removed twice per week-Monday & Friday-p/m	R 118.96	R 128.48	8.00
Businesses per bin-removed twice per week-Monday & Friday-p/m	R 158.61	R 171.30	8.00
Government departments per bin-removed twice per week-Monday & Friday-p/m	R 158.61	R 171.30	8.00
Vacant land-p/m	R 45.21	R 48.83	8.00

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

**NCOTSHANE AND PONGOLA TOWN**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Residential dwellings per bin-removed twice per week-Monday & Friday-p/m	R 127.61	R 137.82	8.00
Government departments & businesses per bin-removed daily-p/m	R 180.81	R 195.27	8.00
Businesses-Refuse removal at central point-removed daily-p/m	R 1,595.27	R 1,722.89	8.00
Vacant land-p/m	R 45.21	R 48.83	8.00
Sectional titles per unit-removed twice per week_Monday & Friday-p/m	R 127.61	R 137.82	8.00
Garden refuse removal m³ per load or part thereof	R 127.61	R 137.82	8.00
Building rubble per m³ load or part thereof	R 255.22	R 275.64	8.00
Residential block of flats per unit-p/m	R 127.61	R 137.82	8.00

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

**GOLELA/MAGUDU POLICE STATION/ITSHELEJUBA HOSPITAL**

Refuse removal will be charged at cost of contractor plus ten (10) percent (%)

**ELECTRICITY**

**BULK CONSUMERS/INDUSTRIAL TARIFFS**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Basic charge per meter-p/m	R 802.00	R 877.39	9.40
Demand charge/Per KVA	R 156.41	R 171.11	9.40
Energy charge/Per KWh	R 0.6747	R 0.74	9.40

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

**SPORTS/DOMESTIC CONVENTIONAL**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Basic charge per meter-p/m	R 260.85	R 285.37	9.40
Energy charge/Per KWh	R 1.0964	R 1.20	9.40

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

**BUSINESSES/COMMERCIAL CONVENTIONAL**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Basic charge per meter-p/m	R 579.98	R 634.50	9.40
Energy charge/Per KWh	R 1.2179	R 1.33	9.40

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

**MUNICIPAL DEPARTMENTS**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Basic charge per meter-p/m	R 260.85	R 0.00	-100.00
Energy charge/Per KWh	R 1.1205	R 1.23	9.40

**VACANT LAND/UNDEVELOPED STANDS WITH ACCESS TO THE ELECTRICITY  
DISTRIBUTION NETWORK**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Basic charge per stand/erf-p/m	R 139.14	R 152.22	9.40

*The above tariff is subject to Value Added Tax at fourteen (14) percent (%)*

**ELECTRICITY DEPOSIT**

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
New connection-adjusted after 2 months of consumption	R 0.00	R 3,000.00	
A deposit based on two months average consumption is payable on all properties with electricity			



# MISCELLANEOUS-ELECTRICITY

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
New electricity user charge-new connction to distribution network	R 954.25	R 1,043.95	9.40
Reconnection fees after disconnection for non-payment			
Residential	R 954.25	R 1,043.95	9.40
Businesses	R 1,908.45	R 2,087.84	9.40
Call out fee for a municipal electrician			
Residential	R 954.25	R 1,043.95	9.40
Businesses	R 1,908.45	R 2,087.84	9.40
Testing electrical meters-refundable if 3 % discrepancy in favour of consumer is detected	R 1,308.09	R 1,431.05	9.40
Re-reading on request	R 578.00	R 632.33	9.40
Inspection charges prior to electricity connection			
Residential	R 1,908.48	R 2,087.88	9.40
Businesses	R 3,923.38	R 4,292.18	9.40
Illegal connection or reconnection or tampering with electrical meter	R 0.00	R 5,283.00	-
New electricity connection: all cost plus ten (10) percent (%) handling charge			

*The above tariffs is subject to Value Added Tax at fourteen (14) percent (%)*

# RENTAL

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Belgrade cluster-per m² per month	R 7.31	R 7.79	6.60
Belgrade MPCC -per square meter of office space per month	R 107.68	R 114.79	6.60
<b>Community hall hire-Magudu and Belgrade</b>			
Refundable deposit	R 265.87	R 283.42	6.60
Type of function: Political meeting	R 929.25	R 990.58	6.60
Church Services	R 309.75	R 330.19	6.60
Weddings/Dancing/Concerts	R 929.25	R 990.58	6.60
Education/club or sports meetings/conferences/seminars	R 309.75	R 330.19	6.60
Any other function approved by Council	R 309.75	R 330.19	6.60
Use of kitchen will be charged at 20% of rental fee			
<b>Community hall hire-Ncotshane</b>			
Refundable deposit	R 604.87	R 644.79	6.60
Use of kitchen will be charged at 20% of rental fee			
Type of function: Political meeting	R 2,113.76	R 2,253.27	6.60
Church Services	R 1,056.88	R 1,126.63	6.60
Weddings/Dancing/Concerts	R 2,113.76	R 2,253.27	6.60
Education/club or sports meetings/conferences/seminars	R 1,056.88	R 1,126.63	6.60
Any other function approved by Council	R 1,056.88	R 1,126.63	6.60

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

# LIBRARY CHARGES

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Book not returned on time-per book per day	R 2.85	R 3.04	6.60
Damaged/loss book-charge will be the value of book			

All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)

# DUMPING FEES

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
LDV load	R 37.22	R 39.68	6.60
LDV load and trailer load	R 67.81	R 72.29	6.60
8 Ton Truck	R 74.44	R 79.35	6.60
Tractor & Trailer load	R 74.44	R 79.35	6.60
Per tyre	R 37.22	R 39.68	6.60
Dead animal per animal: small dog/cat/poultry	R 74.45	R 79.36	6.60
Dead animal per animal: large dog (equine/bovine)	R 226.00	R 240.92	6.60

All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)

# GENERAL

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Extract from bylaws, per page or part thereof	R 21.28	R 22.68	6.60
Searching fees for information after approval	R 45.21	R 48.19	6.60
Valuation Certificate	R 151.56	R 161.56	6.60
Rates Clearance Certificate	R 120.97	R 128.95	6.60
Copy of minutes/agendas/hearings per page	R 30.58	R 32.60	6.60
Copy of Map-A0 colour	R 112.88	R 120.33	6.60
Copy of Map-A0 black/white	R 94.07	R 100.28	6.60
Copy of Map-A1 colour	R 87.79	R 93.58	6.60
Copy of Map-A1 black/white	R 75.25	R 80.22	6.60
Copy of Map-A2 colour	R 68.98	R 73.53	6.60
Copy of Map-A2 black/white	R 56.44	R 60.17	6.60
Copy of Map-A3 colour	R 112.88	R 120.33	6.60
Copy of Map-A3 black/white	R 94.07	R 100.28	6.60
Photocopying-per page-A4 colour	R 4.32	R 4.61	6.60
Photocopying-per page-A4 black/white	R 1.00	R 1.07	6.60
Photocopying-per page-A3 colour	R 5.72	R 6.10	6.60
Photocopying-per page-A3 black/white	R 2.86	R 3.05	6.60
Facsimiles-sending per page to a number starting with 086-colour	R 17.25	R 18.39	6.60
Facsimiles-sending per page to a number starting with 086-black/white	R 11.50	R 12.26	6.60
Facsimiles-receiving per page-colour	R 11.50	R 12.26	6.60
Facsimiles-receiving per page-colour	R 5.72	R 6.10	6.60
Plot per sheet-A0	R 376.24	R 401.07	6.60
Plot per sheet-A1	R 275.91	R 294.12	6.60
Plot per sheet-A2	R 225.74	R 240.64	6.60
Plot per sheet-A3	R 226.00	R 240.92	6.60
Valuation roll-per copy	R 755.10	R 804.94	6.60
Voters roll-per copy	R 603.55	R 643.38	6.60

All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)

## TOWN PLANNING

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Application in terms of the Planning and Development Act, 2008 (ACT No.6 of 2008)			
Search fee	R 18.62	R 19.85	6.60
Copies of documents-A4 colour	R 2.33	R 2.48	6.60
Copies of documents-A4 black/white	R 1.15	R 1.23	6.60
Copies of documents-A3 colour	R 3.33	R 3.55	6.60
Copies of documents-A3 black/white	R 1.65	R 1.76	6.60
Amendment of a scheme	R 3,988.20	R 4,251.42	6.60
Consent in terms of a scheme	R 3,988.20	R 4,251.42	6.60
Subdivision of land-basic fee	R 1,329.39	R 1,417.13	6.60
Subdivision land of up to 5 pieces of land plus per subdivision+remainder	R 232.64	R 247.99	6.60
Subdivision of land over 5 pieces of land-basic fee	R 2,658.79	R 2,834.27	6.60
Subdivision of land over 5 pieces of land plus per subdivision+remainder	R 119.68	R 127.58	6.60
Subdivision for Government Subsidised townships for low-income housing project-basic fee	R 219.35	R 233.83	6.60
Per subdivision+remainder	R 22.60	R 24.09	6.60
Cancellation of approved layout plan	R 1,329.39	R 1,417.13	6.60
Consolidation of land-basic fee	R 332.35	R 354.29	6.60
Per component	R 66.46	R 70.85	6.60
Processing of DFA applications	R 6,646.97	R 7,085.67	6.60
Preparation of Service Agreements	R 1,329.39	R 1,417.13	6.60
Relaxation of Municipal Omnibus Servitudes	R 265.88	R 283.43	6.60
Alteration, Suspension and deletion of a condition of Title Relating to land	R 2,658.79	R 2,834.27	6.60
Development situated outside the area of a scheme	R 3,988.20	R 4,251.42	6.60
Alteration, Suspension and deletion of a condition of Approval Relating to land	R 3,988.20	R 4,251.42	6.60
Closure of Municipal Road	R 3,988.20	R 4,251.42	6.60
Closure of Public Place	R 3,988.20	R 4,251.42	6.60
Spot fine applicable to buildings after July 2013	R 6,646.97	R 7,085.67	6.60
Township plans			
Daily rate for Transgression until submission of application for regularisation per day	R 664.70	R 708.57	6.60
Application of relaxing of building line in terms of Town Planning clauses (Advertising cost excluded)	R 1,510.20	R 1,609.87	6.60
Special consent application in terms of section 67 <i>biz</i> of Ordinance 27 of 1949, for each such application (advertising costs excluded)	R 1,510.20	R 1,609.87	6.60
Advertising costs shall be borne by the applicant. Upon confirmation of the application being complete and the 14 day acknowledgement period have lapsed, the Technical Services Department shall, within a period of 14 days, supply the applicant with the text of the notice to be advertised in two official languages of the region, which the applicant shall place on the local newspaper at their cost and serve copies thereof on affected property owners as directed by the <b>Development Officer</b> .			

**All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)**



## BUILDING PLAN FEES

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Minimum fee	R 784.34	R 836.11	6.60
From 10m <sup>2</sup> up to 999m <sup>2</sup> per 10m <sup>2</sup> or part thereof	R 17.29	R 18.43	6.60
From 1 000m <sup>2</sup> up to 4 999m <sup>2</sup>	R 1,963.52	R 2,093.11	6.60
For every 10m <sup>2</sup> thereafter or part thereof	R 10.63	R 11.33	6.60
From 5 000m <sup>2</sup> and more	R 5,614.92	R 5,985.50	6.60
For every 10m <sup>2</sup> thereafter or part thereof	R 7.98	R 8.51	6.60
Minor building works according to the National Building Regulation per certificate	R 603.55	R 643.38	6.60
Plans which have lapsed-50 % of fees mentioned above			
Indentification of property boundary beacons	R 1,725.57	R 1,839.46	6.60
Compulsory fee for the use of the sidewalk/road verge to stockpile building materials or other rubble while under construction to comply with all aspects of Safety Regulation, which is refundable after clearing to the satisfaction of the Council and the issuing of occupancy certificate	R 1,254.14	R 1,336.91	6.60

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

## POUND TARIFFS

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Pound fee-all large livestock each per day or part thereof	R 30.58	R 32.60	6.60
Pound fee-all small livestock each per day or part thereof	R 14.63	R 15.60	6.60
Pound fee-pigs each per day or part thereof	R 21.28	R 22.68	6.60
Grazing, tendering and feeding fees-horses,mules,donkeys,oxen,cows or calves each per day or part thereof	R 14.63	R 15.60	6.60
Grazing, tendering and feeding fees-sheep and goats each per day or part thereof	R 7.18	R 7.65	6.60
Grazing, tendering and feeding fees-pigs each per day or part thereof	R 14.63	R 15.60	6.60
Driving fee (animals to pound) per kilometre	R 2.67	R 2.85	6.60
Driving fee will only be paid to only one person and the maximum kilometres is 28 kilometres. No compensation in respect of the return journey to his home shall be paid to a person driving animals to the pound. If so desired the Pound Master shall immediately pay the driving fees to the person impounding the animals			

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

## TRADE TARIFFS

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Hawkers permit for a resident of the municipality-valid for a year-July-June_fulltime	R 151.56	R 500.00	229.90
Hawkers permit for a non-resident of the municipality-valid for a year-July-June_fulltime	R 151.56	R 1,000.00	559.80
Hawkers permit for a resident of the municipality-valid for a year-July-June_occasional	R 332.35	R 354.29	6.60
Hawkers permit for a non-resident of the municipality-valid for a year-July-June_occasional	R 332.35	R 354.29	6.60
Flammable liquid licences	R 358.92	R 382.61	6.60
Trading licence-small business	R 142.24	R 151.63	6.60
Trading licence-medium business	R 142.24	R 151.63	6.60
Trading licence-big business	R 142.24	R 151.63	6.60
Rent of hawker facility	R 177.64	R 189.36	6.60

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*

# LANDING FEES ON AERODROME

	APPROVED TARIFF VAT EXCL.	APPROVED TARIFF VAT EXCL.	
TARIFF DESCRIPTION	01/07/2015- 30/06/2016	01/07/2016- 30/06/2017	% INCREASE(+)/ DECREASE (-)
Aircraft up to 500kg	R 30.58	R 32.60	6.60
Aircraft from 501kg up to 1 000kg	R 51.85	R 55.27	6.60
Aircraft from 1 001kg up to 1 500kg	R 59.82	R 63.77	6.60
Aircraft from 1 501kg up to 2 000kg	R 74.45	R 79.36	6.60
Aircraft from 2 001kg up to 2 500kg	R 90.39	R 96.36	6.60
Aircraft from 2 501kg up to 3 000kg	R 98.38	R 104.87	6.60
Aircraft from 3 001kg up to 4 000kg	R 135.60	R 144.55	6.60
Aircraft from 4 001kg up to 5 000kg	R 164.83	R 175.71	6.60
Aircraft from 5 001kg up to 6 000kg	R 202.08	R 215.42	6.60
Aircraft from 6 001kg up to 7 000kg	R 241.95	R 257.92	6.60
Aircraft from 7 001kg up to 8 000kg	R 271.19	R 289.09	6.60
Aircraft from 8 001kg up to 9 000kg	R 301.77	R 321.69	6.60
Aircraft from 9 001kg up to 10 000kg	R 376.22	R 401.05	6.60
Aircraft from 10 001kg up to 12 000kg	R 392.17	R 418.05	6.60
Aircraft from 12 001kg and above	R 400.17	R 426.58	6.60

## PARKING FEES ON AERODROME

Aircraft up to 2 000kg per hour or part thereof	R 30.58	R 32.60	6.60
Aircraft from 2001kg up to 3 000kg per hour or part thereof	R 45.21	R 48.19	6.60
Aircraft from 3001kg up to 4 000kg per hour or part thereof	R 59.82	R 63.77	6.60
Aircraft from 4001kg up to 5 000kg per hour or part thereof	R 74.45	R 79.36	6.60
Aircraft from 5001kg up to 10 000kg per hour or part thereof	R 120.98	R 128.96	6.60
Aircraft from 10 001kg up to 15 000kg per hour or part thereof	R 164.83	R 175.71	6.60
Aircraft from 15 001kg and above per hour or part thereof	R 172.83	R 184.24	6.60
Property rent for hanger per day or part thereof	R 30.58	R 32.60	6.60
Crop spraying-landing per day or part thereof	R 177.64	R 189.36	6.60

*All the above tariffs are subject to Value Added Tax at fourteen (14) percent (%)*